

By: Talarico

H.B. No. 1035

Substitute the following for H.B. No. 1035:

By: Martinez Fischer

C.S.H.B. No. 1035

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the contents of an affidavit required to be included
3 with an application for an exemption from ad valorem taxation of all
4 or part of the appraised value of real property used to operate a
5 child-care facility.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 11.36(a), Tax Code, as added by Chapter
8 281 (S.B. 1145), Acts of the 88th Legislature, Regular Session,
9 2023, is amended by amending Subdivision (2) and adding Subdivision
10 (3) to read as follows:

15 (3) "Qualifying child-care facility" means a
16 child-care facility:

17 (A) the owner or operator of which participates
18 in the Texas Workforce Commission's Texas Rising Star Program as
19 described by Section [2308.3155](#), Government Code, for that facility;
20 and

21 (B) at which at least 20 percent of the total
22 number of children enrolled at the facility receive subsidized
23 child-care services provided through the child-care services
24 program administered by the Texas Workforce Commission.

1 SECTION 2. Section 11.36(f), Tax Code, as added by Chapter
2 281 (S.B. 1145), Acts of the 88th Legislature, Regular Session,
3 2023, is amended to read as follows:

4 (f) A person who claims an exemption under Subsection (b)(2)
5 must include with the application for the exemption an affidavit
6 certifying to the chief appraiser for the appraisal district that
7 appraises the property that is the subject of the application that:

8 (1) either:

9 (A) the person has provided to the child-care
10 facility to which the property is leased a disclosure document
11 stating the amount by which the taxes on the property are reduced as
12 a result of the exemption and the method the person will implement
13 to ensure that the rent charged for the lease of the property fully
14 reflects that reduction; or

15 (B) the property is subject to a net lease and the
16 child-care facility to which the property is leased is responsible
17 for paying the taxes imposed on the property;

18 (2) the rent charged for the lease of the property
19 reflects the reduction in the amount of taxes on the property
20 resulting from the exemption, either through a monthly or annual
21 credit against the rent or, if applicable, by operation of the net
22 lease to which the property is subject; and

23 (3) the person does not charge rent for the lease of
24 the property in an amount that exceeds:

25 (A) for property that consists of space in a
26 commercial property, the rent charged by the person to other
27 tenants of the commercial property for similar space; or

1 (B) for property other than property described by
2 Paragraph (A), the average rent charged for comparable rental
3 property.

4 SECTION 3. The change in law made by this Act applies only
5 to an application for an exemption from ad valorem taxation under
6 Section [11.36](#), Tax Code, as added by Chapter 281 (S.B. 1145), Acts
7 of the 88th Legislature, Regular Session, 2023, that is filed on or
8 after the effective date of this Act. An application for an
9 exemption from ad valorem taxation under that section that was
10 filed before the effective date of this Act is covered by the law in
11 effect on the date the application was filed, and the former law is
12 continued in effect for that purpose.

13 SECTION 4. To the extent of any conflict, this Act prevails
14 over another Act of the 89th Legislature, Regular Session, 2025,
15 relating to nonsubstantive additions to and corrections in enacted
16 codes.

17 SECTION 5. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 Act takes effect September 1, 2025.