

By: Hefner

H.B. No. 3291

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the public purpose designation and taxation of certain  
3 projects of Type A economic development corporations.

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

5 SECTION 1. Subchapter A, Chapter 504, Local Government  
6 Code, is amended by adding Section 504.006 to read as follows:

7 Sec. 504.006. PUBLIC PURPOSE DESIGNATION; EXEMPTION FROM  
8 TAXATION. (a) Notwithstanding any other law, the legislature  
9 finds for all constitutional and statutory purposes that:

10 (1) a project authorized by Chapter 501 is owned,  
11 used, and held for a public purpose for and on behalf of the  
12 municipality that authorized the creation of the Type A  
13 corporation; and

14 (2) except as otherwise provided by this section,  
15 Section 501.160 of this code and Section 25.07(a), Tax Code, do not  
16 apply to a leasehold or other possessory interest granted by a Type  
17 A corporation during the period the corporation owns projects on  
18 behalf of the authorizing municipality.

19 (b) A project is exempt from ad valorem taxation under  
20 Section 11.11, Tax Code, for the period prescribed by Subsection  
21 (a)(2).

22 SECTION 2. This Act applies only to ad valorem taxes imposed  
23 for a tax year that begins on or after the effective date of this  
24 Act.

1 SECTION 3. This Act takes effect September 1, 2025.