

By: Harless

H.B. No. 4580

Substitute the following for H.B. No. 4580:

By: Vasut

C.S.H.B. No. 4580

A BILL TO BE ENTITLED

AN ACT

relating to the exemption from ad valorem taxation of property owned by certain nonprofit corporations and used to promote agriculture, support youth, and provide educational support in the community.

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

SECTION 1. Section 11.23, Tax Code, is amended by adding Subsection (n) to read as follows:

(n) Promotion of Agriculture, Support of Youth, and Provision of Educational Support in Populous Counties. In a county with a population of 3.3 million or more, all real and personal property owned by a nonprofit corporation, as that term is defined by Section 22.001, Business Organizations Code, organized exclusively for charitable, educational, and scientific purposes, and held for use in promoting agriculture, supporting youth, and providing educational support in the community is exempt from all ad valorem taxation. Use of property exempted by this subsection for purposes other than promoting agriculture, supporting youth, and providing educational support in the community does not result in the loss of the exemption if the revenue derived from that incidental use benefits the beneficiaries of the charitable organization that owns the property. This subsection does not exempt from ad valorem taxation any interest in real or personal property, including a leasehold or other possessory interest, of a

1 for-profit lessee of property for which a nonprofit corporation is  
2 entitled to an exemption from taxation under this subsection.

3 SECTION 2. Section 11.43(c), Tax Code, is amended to read as  
4 follows:

5 (c) An exemption provided by Section 11.13, 11.131, 11.132,  
6 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19,  
7 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), ~~[or]~~ (m), or (n),  
8 11.231, 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, 11.315, 11.35,  
9 or 11.36, once allowed, need not be claimed in subsequent years, and  
10 except as otherwise provided by Subsection (e), the exemption  
11 applies to the property until it changes ownership or the person's  
12 qualification for the exemption changes. However, except as  
13 provided by Subsection (r), the chief appraiser may require a  
14 person allowed one of the exemptions in a prior year to file a new  
15 application to confirm the person's current qualification for the  
16 exemption by delivering a written notice that a new application is  
17 required, accompanied by an appropriate application form, to the  
18 person previously allowed the exemption. If the person previously  
19 allowed the exemption is 65 years of age or older, the chief  
20 appraiser may not cancel the exemption due to the person's failure  
21 to file the new application unless the chief appraiser complies  
22 with the requirements of Subsection (q), if applicable.

23 SECTION 3. This Act applies only to an ad valorem tax year  
24 that begins on or after the effective date of this Act.

25 SECTION 4. It is the intent of the 89th Legislature, Regular  
26 Session, 2025, that the amendments made by this Act be harmonized  
27 with another Act of the 89th Legislature, Regular Session, 2025,

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1 relating to nonsubstantive additions to and corrections in enacted  
2 codes.

3 SECTION 5. This Act takes effect January 1, 2026.