

By: Harless

H.B. No. 4580

A BILL TO BE ENTITLED

AN ACT

relating to the exemption from ad valorem taxation of property of a charitable organization that provides financial support for promoting agriculture, supporting Texas youth and providing educational support.

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

SECTION 1. Subchapter A, Chapter 11, Tax Code, is amended by adding Section 11.186 to read as follows:

Sec. 11.186. ORGANIZATIONS PROMOTING AGRICULTURE, SUPPORTING TEXAS YOUTH, AND PROVIDING EDUCATIONAL SUPPORT. In a county with a population of more than 3.3 million, all real and personal property owned by a nonprofit corporation, as defined by Section 22.001, Business Organizations Code, organized exclusively for charitable, educational and scientific purposes, and held for use in promoting agriculture, supporting Texas youth and providing educational support within the community is exempt from all ad valorem taxation. Use of property exempted by this section for purposes other than those listed herein does not result in loss of the exemption if ensuing and incidental revenues are used in support of the nonprofit's charitable purposes. This section shall not exempt from taxation any interest in real or personal property, including a leasehold or other possessory interest, of a for-profit lessee of property for which a nonprofit corporation is entitled to an exemption from taxation under this section.

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

(c) An exemption provided by Section 11.13, 11.131, 11.132, 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.186, 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231, 11.254, 11.27, 11.271, 11.29, 11.30, 11.31, 11.315, 11.35, or 11.36, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. However, except as provided by Subsection (r), the chief appraiser may require a person allowed one of the exemptions in a prior year to file a new application to confirm the person's current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person previously allowed the exemption. If the person previously allowed the exemption is 65 years of age or older, the chief appraiser may not cancel the exemption due to the person's failure to file the new application unless the chief appraiser complies with the requirements of Subsection (q), if applicable.

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