

By: Bettencourt

S.B. No. 2973

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, or 11.37, once allowed, need not be claimed in
10 subsequent years, and except as otherwise provided by Subsection
11 (e), the exemption applies to the property until it changes
12 ownership or the person's qualification for the exemption changes.
13 However, except as provided by Subsection (r), the chief appraiser
14 may require a person allowed one of the exemptions in a prior year
15 to file a new application to confirm the person's current
16 qualification for the exemption by delivering a written notice that
17 a new application is required, accompanied by an appropriate
18 application form, to the person previously allowed the exemption.
19 If the person previously allowed the exemption is 65 years of age or
20 older, the chief appraiser may not cancel the exemption due to the
21 person's failure to file the new application unless the chief
22 appraiser complies with the requirements of Subsection (q), if
23 applicable.

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

26 SECTION 4. To the extent of any conflict, this Act prevails
27 over 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.