

SUBJECT: Authorizing a tax exemption for certain border security infrastructure

COMMITTEE: Ways & Means — committee substitute recommended

VOTE: 11 ayes — Meyer, Bernal, Button, Capriglione, Gervin-Hawkins, Hickland, Noble, V. Perez, Troxclair, Turner, Vasut

1 nay — Martinez Fischer

1 absent — Muñoz

WITNESSES: For — (*Registered, but did not testify*: Charles Maley, South Texans’ Property Rights Association; Drew Fuller, Texas Farm Bureau)

Against — (*Registered, but did not testify*: Fran Rhodes, True Texas Project)

DIGEST: CSHJR 34 would amend the Texas Constitution to authorize the Legislature to exempt from ad valorem taxation the market value of real property located in a county that bordered Mexico that arose from the installation or construction on the property of border security infrastructure and related improvements.

The resolution would authorize the Legislature to define “border security infrastructure” by general law and prescribe additional eligibility requirements for the exemption.

A ballot proposal would be presented to voters at an election on November 4, 2025, and would read: “The constitutional amendment to authorize the legislature to provide for an exemption from ad valorem taxation of the amount of the market value of real property located in a county that borders the United Mexican States that arises from the installation or construction on the property of border security infrastructure and related improvements.”

SUPPORTERS CSHJR 34 would incentivize property owners to volunteer their property

SAY: for border security enhancements by amending the Constitution to authorize the Legislature to exempt that portion of the assessed value of a person's property from property taxes. While Texas pays a one-time fee to property owners at the Texas-Mexico border who voluntarily sign easement contracts to host the border wall, there is currently no tax exemption available to property owners for such border security infrastructure. Some landowners may hesitate to install border security measures due to potential increases in taxable property value. By providing an exemption for the assessed value of the property associated with the border security infrastructure, the resolution would encourage private property owners to support border security efforts without facing increased tax burdens.

The tax exemption authorized under the resolution would be provided for the value of the infrastructure installed on the property and any increase in property value from the improvements, and would not reduce the appraised value of the existing property.

Additionally, the resolution would not require a property owner to install border security infrastructure and would only apply to property in counties along the Texas-Mexico border. Individuals who volunteer to help establish and maintain border security infrastructure on their property should be rewarded for contributing to the state's efforts to secure the southern border.

CRITICS SAY: The state should not provide tax exemptions that incentivize further border security infrastructure construction on private land, especially for state-supported construction of walls or the installation of surveillance equipment.

Additionally, CSHJR 34 would narrow the tax base and could shift the tax burden onto other property owners by removing property value from the tax rolls. The Legislature should focus on providing broad-based tax relief rather than carving out certain limited exemptions.

NOTES: CSHB 247, the enabling legislation for CSHJR 34, is also on the daily

House calendar for second reading consideration today.

According to the Legislative Budget Board, the resolution would have no cost to the state other than the cost of publication, which would be \$191,689.