



Leased School Property Tax Exemption Act

HB 6 - SB 9

Bill Analysis

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 388 amends current law relating to the exemption from ad valorem taxation of real property leased to and used by certain schools.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 11, Tax Code, by adding Section 11.211, as follows:

Sec. 11.211. REAL PROPERTY LEASED TO CERTAIN SCHOOLS. (a) Provides that a person is entitled to an exemption from taxation of the portion of the real property that the person owns and leases to an open-enrollment charter school authorized by Subchapter D (Open-Enrollment Charter School), Chapter 12, Education Code, that is qualified as provided by Section 11.21(d) (relating to criteria an organization is required to meet for qualification as a school) of this code if certain requirements are met.

(b) Requires a property owner required to provide an affidavit described by Subsection (a)(2)(A) (relating to entitling a person to a certain exemption if the owner of the portion of real property that is leased to a certain school certifies by affidavit to the school that the owner will reduce the total consideration required to be paid by a certain amount) to an open-enrollment charter school to:

(1) provide the school with a disclosure document stating the amount by which the taxes on the real property are reduced as a result of the exemption and the method the owner will implement to ensure that the total consideration for the lease of the real property fully reflects the total amount of that reduction; and

(2) reduce the total consideration for the lease of the real property through a monthly or annual credit against the total consideration to reflect the amount

School

Somerset High School

Senate Committee Laying Out

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Education

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by which the taxes on the real property are reduced as a result of the exemption.

(c) Prohibits this section from being construed as invalidating an exemption from taxation of real property granted to an open-enrollment charter school on the basis of Section 12.128 (Property Purchased or Leased With State Funds), Education Code, before January 1, 2020.

(d) Provides that Section 25.07 (Leasehold and Other Possessory Interests in Exempt Property) does not apply to a leasehold interest in real property for which the owner receives an exemption under this section.

SECTION 2. Provides that this Act applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2021.

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