



Leased School Property Tax Exemption Act

HB 6 - SB 9

Bill Text

AN ACT

relating to the exemption from ad valorem taxation of real property leased
to and used by certain schools.

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

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by
adding Section 11.211 to read as follows:

Sec. 11.211. REAL PROPERTY LEASED TO CERTAIN
SCHOOLS. (a) 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, Chapter 12,
Education Code, that is qualified as provided by Section 11.21(d) of this
code if:

(1) the portion of the real property that is leased to the
school is:

(A) used exclusively by the school for the
operation or administration of the school or the performance of other
educational functions by the school; and

(B) reasonably necessary for a purpose described
by Paragraph (A); and

(2) the owner of the portion of the real property that is
leased to the school certifies by affidavit to the school that:

School

Somerset High School

Senate Committee Laying Out

in

Education

Senate Author

Julian Talamantez

House Committee Laying Out

In

Ways & Means

House Authors

Samuel Gauna

Stacy Lujan

Ivana Kuria

Kassandra Moya

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(A) if the lease agreement requires the school to pay the taxes imposed on the real property as a portion of the total consideration paid to the property owner under the agreement, the owner will reduce the total consideration required to be paid by the school under the lease agreement by an amount equal to the amount by which the taxes on the real property are reduced as a result of the exemption by providing a monthly or annual credit against the total consideration due under the agreement; or

(B) if the lease agreement requires the school to pay the taxes imposed on the real property directly to the collector for the applicable taxing unit or to the owner or the property manager separately from the payment of rent to the property owner under the agreement, the school is no longer required to pay the taxes to the collector, owner, or property manager, as applicable, and the rent charged to the school under the agreement is not affected unless a term of the agreement specifically provides for a change in the amount of the rent.

(b) A property owner required to provide an affidavit described by Subsection (a)(2)(A) to an open-enrollment charter school shall:

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

(c) This section may not be construed as invalidating an



REP. RYAN GUILLEN

exemption from taxation of real property granted to an open-enrollment charter school on the basis of Section 12.128, Education Code, before January 1, 2020.

(d) Section 25.07 does not apply to a leasehold interest in real property for which the owner receives an exemption under this section.

SECTION 2. 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. This Act takes effect January 1, 2020,

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