

AN ACT

relating to the applicability of certain laws to certain public schools and certain requirements of a charter school that receives certain tax exemptions.

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

SECTION 1. Section 12.1058(a), Education Code, is amended to read as follows:

(a) An open-enrollment charter school is considered to be:

(1) a local government for purposes of Chapter 791, Government Code;

(2) a local government for purposes of Chapter 2259, Government Code, except that an open-enrollment charter school may not issue public securities as provided by Section 2259.031(b), Government Code;

(3) a political subdivision for purposes of Chapter 172, Local Government Code; ~~and~~

(4) a local governmental entity for purposes of Subchapter I, Chapter 271, Local Government Code;

(5) a political subdivision for purposes of Section 16.061, Civil Practice and Remedies Code, with respect to any property purchased, leased, constructed, renovated, or improved with state funds under Section 12.128 of this code; and

(6) a political subdivision for purposes of Section 11.11, Tax Code.

1 SECTION 2. Sections 12.128(a) and (a-1), Education Code,
2 are amended to read as follows:

3 (a) Property purchased with funds received by a charter
4 holder under Section 12.106 [~~after September 1, 2001~~]:

5 (1) is considered to be public property for all
6 purposes under state law;

7 (2) is property of this state held in trust by the
8 charter holder for the benefit of the students of the
9 open-enrollment charter school; [~~and~~]

10 (3) may be used only for a purpose for which a school
11 district may use school district property; and

12 (4) is exempt from ad valorem taxation as provided by
13 Section 11.11, Tax Code.

14 (a-1) Property leased with funds received by a charter
15 holder under Section 12.106 [~~after September 1, 2001~~]:

16 (1) is considered to be public property for all
17 purposes under state law;

18 (2) is property of this state held in trust by the
19 charter holder for the benefit of the students of the
20 open-enrollment charter school; [~~and~~]

21 (3) may be used only for a purpose for which a school
22 district may use school district property; and

23 (4) is exempt from ad valorem taxation as provided by
24 Section 11.11, Tax Code.

25 SECTION 3. Section 12.128, Education Code, is amended by
26 adding Subsection (a-2) to read as follows:

27 (a-2) The owner of property that receives a tax exemption

1 under Subsection (a) shall transfer the amount of tax savings from
2 the exemption to the tenant or reduce the common area maintenance
3 fee in a proportionate amount based upon the square footage of the
4 exempt portion of the property.

5 SECTION 4. Subchapter B, Chapter 11, Tax Code, is amended by
6 adding Section 11.211 to read as follows:

7 Sec. 11.211. REAL PROPERTY LEASED TO CERTAIN SCHOOLS. The
8 portion of real property that is leased to an independent school
9 district, community college district, or open-enrollment charter
10 school authorized by Subchapter C, D, or E, Chapter 12, Education
11 Code, is qualified and exempt from taxation pursuant to Sections
12 11.11 and 11.21 of this code if the portion of the real property
13 that is leased to the public school is:

14 (1) used exclusively by the public school for the
15 operation or administration of the school or the performance of
16 other educational functions of the school; and

17 (2) reasonably necessary for a purpose described in
18 Subdivision (1) as found by the school's governing body.

19 SECTION 5. The change in law made by this Act applies only
20 to ad valorem taxes imposed in a tax year that begins on or after the
21 effective date of this Act.

22 SECTION 6. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I certify that H.B. No. 3610 was passed by the House on May 8, 2021, by the following vote: Yeas 65, Nays 60, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3610 was passed by the Senate on May 22, 2021, by the following vote: Yeas 19, Nays 11.

Secretary of the Senate

APPROVED: _____

Date

Governor