

By: Ritter

H.B. No. 4592

A BILL TO BE ENTITLED

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 person is entitled to an exemption from taxation of the real property that the person owns and leases to a school that is qualified as provided by Section 11.21(d) if:

(1) the real property is used exclusively by the school for educational functions;

(2) the real property is reasonably necessary for the operation of the school.

(3) the owner certifies by affidavit to the school that the lease payments shall be reduced to the extent of the exemption received.

(4) the owner discloses to the school the full amount of the benefit derived from the exemption and the method for ensuring that the school receives such benefit.

(5) the school receives the full benefit derived from the exemption through either an annual or monthly credit to the charter school's lease payments.

SECTION 2. This Act applies only to ad valorem taxes imposed

1 for a tax year beginning on or after the effective date of this Act.

2 SECTION 3. This Act takes effect January 1, 2010, but only  
3 if the constitutional amendment authorizing the legislature to  
4 exempt from ad valorem taxation real property leased to certain  
5 schools organized and operated primarily for the purpose of  
6 engaging in educational functions is approved by the voters. If  
7 that amendment is not approved by the voters, this Act has no  
8 effect.