

By: Taylor of Galveston
(Murphy)

S.B. No. 545

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 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 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 rent for the lease of the real property will be reduced by
an amount equal to the amount by which the taxes on the property are
reduced as a result of the exemption;

(4) the owner provides 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 rent charged for the lease of the

1 property fully reflects that reduction; and

2 (5) the rent charged for the lease of the real property
3 reflects the reduction in the amount of taxes on the property
4 resulting from the exemption through a monthly or annual credit
5 against the rent.

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

8 SECTION 3. This Act takes effect January 1, 2016, but only
9 if the constitutional amendment authorizing the legislature to
10 exempt from ad valorem taxation real property leased to certain
11 schools organized and operated primarily for the purpose of
12 engaging in educational functions is approved by the voters. If
13 that amendment is not approved by the voters, this Act has no
14 effect.