

By: Taylor of Galveston
(Murphy)

S.J.R. No. 42

1 SENATE JOINT RESOLUTION

2 proposing a constitutional amendment authorizing the legislature
3 to exempt from ad valorem taxation real property leased to certain
4 schools organized and operated primarily for the purpose of
5 engaging in educational functions.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 2(a), Article VIII, Texas Constitution,
8 is amended to read as follows:

9 (a) All occupation taxes shall be equal and uniform upon the
10 same class of subjects within the limits of the authority levying
11 the tax; but the legislature may, by general laws, exempt from
12 taxation public property used for public purposes; actual places of
13 religious worship, also any property owned by a church or by a
14 strictly religious society for the exclusive use as a dwelling
15 place for the ministry of such church or religious society, and
16 which yields no revenue whatever to such church or religious
17 society; provided that such exemption shall not extend to more
18 property than is reasonably necessary for a dwelling place and in no
19 event more than one acre of land; any property owned by a church or
20 by a strictly religious society that owns an actual place of
21 religious worship if the property is owned for the purpose of
22 expansion of the place of religious worship or construction of a new
23 place of religious worship and the property yields no revenue
24 whatever to the church or religious society, provided that the

1 legislature by general law may provide eligibility limitations for
2 the exemption and may impose sanctions related to the exemption in
3 furtherance of the taxation policy of this subsection; any property
4 that is owned by a church or by a strictly religious society and is
5 leased by that church or strictly religious society to a person for
6 use as a school, as defined by Section 11.21, Tax Code, or a
7 successor statute, for educational purposes; any real property that
8 is leased to a person for use as a school that operates under a
9 charter granted by the State Board of Education, the commissioner
10 of education, or any other state agency or officer and that is
11 qualified as provided by Section 11.21, Tax Code, or a successor
12 statute; places of burial not held for private or corporate profit;
13 solar or wind-powered energy devices; all buildings used
14 exclusively and owned by persons or associations of persons for
15 school purposes and the necessary furniture of all schools and
16 property used exclusively and reasonably necessary in conducting
17 any association engaged in promoting the religious, educational and
18 physical development of boys, girls, young men or young women
19 operating under a State or National organization of like character;
20 also the endowment funds of such institutions of learning and
21 religion not used with a view to profit; and when the same are
22 invested in bonds or mortgages, or in land or other property which
23 has been and shall hereafter be bought in by such institutions under
24 foreclosure sales made to satisfy or protect such bonds or
25 mortgages, that such exemption of such land and property shall
26 continue only for two years after the purchase of the same at such
27 sale by such institutions and no longer, and institutions engaged

1 primarily in public charitable functions, which may conduct
2 auxiliary activities to support those charitable functions; and all
3 laws exempting property from taxation other than the property
4 mentioned in this Section shall be null and void.

5 SECTION 2. The following temporary provision is added to
6 the Texas Constitution:

7 TEMPORARY PROVISION. (a) This temporary provision applies
8 to the constitutional amendment proposed by the 85th Legislature,
9 Regular Session, 2017, authorizing the legislature to exempt from
10 ad valorem taxation real property leased to certain schools
11 organized and operated primarily for the purpose of engaging in
12 educational functions.

13 (b) The amendment to Section 2(a), Article VIII, of this
14 constitution takes effect beginning with the tax year that begins
15 January 1, 2018.

16 (c) This temporary provision expires January 1, 2019.

17 SECTION 3. This proposed constitutional amendment shall be
18 submitted to the voters at an election to be held November 7, 2017.
19 The ballot shall be printed to permit voting for or against the
20 proposition: "The constitutional amendment authorizing the
21 legislature to exempt from ad valorem taxation real property leased
22 to certain schools organized and operated primarily for the purpose
23 of engaging in educational functions."