

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 11, 2017**

**TO:** Honorable Dennis Bonnen, Chair, House Committee on Ways & Means

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3652** by Craddick (Relating to an exemption for open-enrollment charter schools from taxes imposed on the sale, lease, or rental of a motor vehicle and registration fees for motor vehicles.), **As Introduced**

**There would be an indeterminate amount of state revenue loss depending on the number of motor vehicles purchased by and registered to open enrollment charter schools.**

The bill would amend the Tax and Transportation Codes relating to an exemption for open-enrollment charter schools from taxes imposed on the sale, lease, or rental of a motor vehicle and registration fees for motor vehicles.

The bill would amend Section 152.001(7) of the Tax Code to add an open-enrollment charter school to the definition of public agency, thereby exempting open-enrollment charter schools from paying motor vehicle sales and use or rental taxes.

The bill would amend Section 502.453(a) of the Transportation Code to exempt open-enrollment charter schools from paying registration fees on a motor vehicle, trailer, or semitrailer.

According to the Texas Education Agency (TEA), and using TEA's definition of an open-enrollment charter school, there are currently 182 charter schools to which the provisions of the bill would apply. Under current law, vehicles operated by a commercial transportation company that has a contract with an open-enrollment charter school are exempt from motor vehicle sales and use tax. The Comptroller does not have data regarding the number of motor vehicles registered to open-enrollment charter schools, therefore the revenue loss cannot be estimated.

This bill would take effect immediately upon enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2017.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, KK, SD