

1-1 By: Gervin-Hawkins, Middleton, Sanford H.B. No. 3610  
 1-2 (Senate Sponsor - Springer)  
 1-3 (In the Senate - Received from the House May 10, 2021;  
 1-4 May 14, 2021, read first time and referred to Committee on Finance;  
 1-5 May 21, 2021, reported favorably by the following vote: Yeas 12,  
 1-6 Nays 0; May 21, 2021, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14			X	
1-15	X			
1-16	X			
1-17			X	
1-18	X			
1-19				
1-20	X			
1-21	X			
1-22	X			
1-23	X		X	

1-24 A BILL TO BE ENTITLED  
 1-25 AN ACT

1-26 relating to the applicability of certain laws to certain public  
 1-27 schools and certain requirements of a charter school that receives  
 1-28 certain tax exemptions.

1-29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-30 SECTION 1. Section 12.1058(a), Education Code, is amended  
 1-31 to read as follows:

1-32 (a) An open-enrollment charter school is considered to be:

1-33 (1) a local government for purposes of Chapter 791,  
 1-34 Government Code;

1-35 (2) a local government for purposes of Chapter 2259,  
 1-36 Government Code, except that an open-enrollment charter school may  
 1-37 not issue public securities as provided by Section 2259.031(b),  
 1-38 Government Code;

1-39 (3) a political subdivision for purposes of Chapter  
 1-40 172, Local Government Code; ~~and~~

1-41 (4) a local governmental entity for purposes of  
 1-42 Subchapter I, Chapter 271, Local Government Code;

1-43 (5) a political subdivision for purposes of Section  
 1-44 16.061, Civil Practice and Remedies Code, with respect to any  
 1-45 property purchased, leased, constructed, renovated, or improved  
 1-46 with state funds under Section 12.128 of this code; and

1-47 (6) a political subdivision for purposes of Section  
 1-48 11.11, Tax Code.

1-49 SECTION 2. Sections 12.128(a) and (a-1), Education Code,  
 1-50 are amended to read as follows:

1-51 (a) Property purchased with funds received by a charter  
 1-52 holder under Section 12.106 ~~[after September 1, 2001]~~:

1-53 (1) is considered to be public property for all  
 1-54 purposes under state law;

1-55 (2) is property of this state held in trust by the  
 1-56 charter holder for the benefit of the students of the  
 1-57 open-enrollment charter school; ~~and~~

1-58 (3) may be used only for a purpose for which a school  
 1-59 district may use school district property; and

1-60 (4) is exempt from ad valorem taxation as provided by  
 1-61 Section 11.11, Tax Code.

2-1 (a-1) Property leased with funds received by a charter  
2-2 holder under Section 12.106 [~~after September 1, 2001~~]:

2-3 (1) is considered to be public property for all  
2-4 purposes under state law;

2-5 (2) is property of this state held in trust by the  
2-6 charter holder for the benefit of the students of the  
2-7 open-enrollment charter school; [~~and~~]

2-8 (3) may be used only for a purpose for which a school  
2-9 district may use school district property; and

2-10 (4) is exempt from ad valorem taxation as provided by  
2-11 Section 11.11, Tax Code.

2-12 SECTION 3. Section 12.128, Education Code, is amended by  
2-13 adding Subsection (a-2) to read as follows:

2-14 (a-2) The owner of property that receives a tax exemption  
2-15 under Subsection (a) shall transfer the amount of tax savings from  
2-16 the exemption to the tenant or reduce the common area maintenance  
2-17 fee in a proportionate amount based upon the square footage of the  
2-18 exempt portion of the property.

2-19 SECTION 4. Subchapter B, Chapter 11, Tax Code, is amended by  
2-20 adding Section 11.211 to read as follows:

2-21 Sec. 11.211. REAL PROPERTY LEASED TO CERTAIN SCHOOLS. The  
2-22 portion of real property that is leased to an independent school  
2-23 district, community college district, or open-enrollment charter  
2-24 school authorized by Subchapter C, D, or E, Chapter 12, Education  
2-25 Code, is qualified and exempt from taxation pursuant to Sections  
2-26 11.11 and 11.21 of this code if the portion of the real property  
2-27 that is leased to the public school is:

2-28 (1) used exclusively by the public school for the  
2-29 operation or administration of the school or the performance of  
2-30 other educational functions of the school; and

2-31 (2) reasonably necessary for a purpose described in  
2-32 Subdivision (1) as found by the school's governing body.

2-33 SECTION 5. The change in law made by this Act applies only  
2-34 to ad valorem taxes imposed in a tax year that begins on or after the  
2-35 effective date of this Act.

2-36 SECTION 6. This Act takes effect September 1, 2021.

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