

1-1 By: Taylor of Galveston S.B. No. 1030  
 1-2 (In the Senate - Filed February 22, 2017; March 6, 2017,  
 1-3 read first time and referred to Committee on Finance;  
 1-4 April 26, 2017, reported favorably by the following vote: Yeas 12,  
 1-5 Nays 1; April 26, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Nelson	X			
1-8 Hinojosa	X			
1-9 Bettencourt	X			
1-10 Birdwell			X	
1-11 Hancock	X			
1-12 Huffman	X			
1-13 Kolthorst	X			
1-14 Nichols		X		
1-15 Schwertner	X			
1-16 Seliger	X			
1-17 Taylor of Galveston	X			
1-18 Uresti	X			
1-19 Watson	X			
1-20 West	X			
1-21 Whitmire			X	

1-23 A BILL TO BE ENTITLED  
 1-24 AN ACT

1-25 relating to the exemption from ad valorem taxation of real property  
 1-26 leased to and used by certain schools.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by  
 1-29 adding Section 11.211 to read as follows:

1-30 Sec. 11.211. REAL PROPERTY LEASED TO CERTAIN SCHOOLS.

1-31 (a) A person is entitled to an exemption from taxation of the real  
 1-32 property that the person owns and leases to an open-enrollment  
 1-33 charter school authorized by Subchapter D, Chapter 12, Education  
 1-34 Code, that is qualified as provided by Section 11.21(d) of this code  
 1-35 if:

1-36 (1) the real property is used exclusively by the  
 1-37 school for educational functions;

1-38 (2) the real property is reasonably necessary for the  
 1-39 operation of the school;

1-40 (3) the owner certifies by affidavit to the school  
 1-41 that the rent for the lease of the real property will be reduced by  
 1-42 an amount equal to the amount by which the taxes on the property are  
 1-43 reduced as a result of the exemption;

1-44 (4) the owner provides the school with a disclosure  
 1-45 document stating the amount by which the taxes on the real property  
 1-46 are reduced as a result of the exemption and the method the owner  
 1-47 will implement to ensure that the rent charged for the lease of the  
 1-48 property fully reflects that reduction; and

1-49 (5) the rent charged for the lease of the real property  
 1-50 reflects the reduction in the amount of taxes on the property  
 1-51 resulting from the exemption through a monthly or annual credit  
 1-52 against the rent.

1-53 (b) Section 25.07 does not apply to a leasehold interest in  
 1-54 property for which the owner receives an exemption under this  
 1-55 section.

1-56 SECTION 2. This Act applies only to ad valorem taxes imposed  
 1-57 for a tax year beginning on or after the effective date of this Act.

1-58 SECTION 3. This Act takes effect January 1, 2018, but only  
 1-59 if the constitutional amendment proposed by the 85th Legislature,  
 1-60 Regular Session, 2017, authorizing the legislature to exempt from  
 1-61 ad valorem taxation real property leased to certain schools

2-1 organized and operated primarily for the purpose of engaging in  
2-2 educational functions is approved by the voters. If that amendment  
2-3 is not approved by the voters, this Act has no effect.

2-4

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