

## **BILL ANALYSIS**

Senate Research Center  
83R6225 CJC-D

S.J.R. 52  
By: Taylor  
Finance  
4/9/2013  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

This legislation ensures proper use of education funds and property tax relief for public charter schools. Facilities leased to public charter schools should be exempt from real property taxes for the duration of the lease so that the savings can be best-used in the classroom. This issue affects a small percentage of charter schools that need property tax relief. The legislature can provide charter school students with the same opportunity as other Texas public school students.

This is not a special exception for charters; just a fix for the Tax Code. Charter schools that lease do not fall under the exemption stated in Section 11.21 (Schools) of the Tax Code. That exemption only applies to schools that also own their property.

Traditional and private schools do not pay property taxes. Public charters that own their property do not pay property taxes, but public charter schools that lease their facilities pay property taxes. Public charter schools, by law, are not able to levy taxes, and they do not receive facilities funding from the state. Charters that lease buildings use instructional dollars to pay property taxes to their local governments which go, in part, to fund the local school district facilities.

Any money a public charter puts toward property taxes is money that could have been spent on teacher salaries, improved technology, curriculum expansion, and many other critical items in the classroom. This legislation will return funds to the classroom by making property leased by a private owner to a public, open-enrollment charter school exempt from real property taxes for the duration of the lease agreement.

S.J.R. 52 proposes a constitutional amendment authorizing the legislature to exempt for ad valorem taxation real property leased to certain schools organized and operated primarily for the purpose of engaging in educational functions.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2(a), Article VIII, Texas Constitution, to require that all occupation taxes be equal and uniform upon the same class of subjects within the limits of the authority levying the tax, but authorizes the legislature to, by general laws, exempt from taxation public property used for certain purposes, including any real property that is leased to a person for use as a school, as defined by Section 11.21 (Schools), Tax Code, or a successor statute, for educational purposes.

SECTION 2. Provides that the following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) Provides that this temporary provision applies to the constitutional amendment proposed by the 83rd Legislature, Regular Session, 2013, authorizing the legislature to exempt from ad valorem taxation real property leased to certain schools organized and operated primarily for the purpose of engaging in educational functions.

(b) Effective date, the amendment to Section 2(a), Article VIII, of this constitution: the tax year that begins January 1, 2014.

(c) Provides that this temporary provision expires January 1, 2015.

**SECTION 3.** Requires that the proposed constitutional amendment be submitted to the voters at an election to be held November 5, 2013. Sets forth the required language of the ballot.