

Exempt public charters from property taxes on leased buildings

The Problem

Public charter schools must use state funds to pay local property taxes on leased school buildings. The funds public charter schools are using to pay property taxes could be used on teacher salaries, improved technology, instructional materials, and other critical classroom needs. It is estimated that 12 million dollars of state allocated funds to public charter schools will be kept in the classroom if public charters were exempt from paying property taxes on their leased school buildings. ISDs and private schools do not pay property taxes on their buildings.

The Solution

SB 2345/SJR 74 and HB388/HJR 31 will exempt public charter schools from paying property taxes on their leased school buildings, just like ISDs and private schools. This legislation will ensure that more dollars go where they are needed most: toward classroom instruction, supplies, technology, and other crucial school needs.



SB 2345/SJR 74 and HB 388/HJR 31 grants a property tax exemption on real property a person owns and leases to a charter school if:

- ✓ The real property is used exclusively by the school for educational functions;
- ✓ The real property is reasonably necessary for the operation of the school; and
- ✓ The owner certifies that the rent for the lease of the real property will be reduced by an amount equal to the tax savings.