



2017-2018 General Assembly

HOUSE BILL 374: Regulatory Reform Act of 2018, Sec. 25: Exempt Personal Property of Charter Schools from Property Tax

Committee:		Date:	July 20, 2018
Introduced by:		Prepared by:	Trina Griffin Staff Attorney
Analysis of:	Sec. 25 of S.L. 2018-114		

OVERVIEW: Section 25 of S.L. 2018-114 exempts the personal property of charter schools from property tax so long as the property is wholly and exclusively used for educational purposes.

This section became effective for taxes imposed for taxable years beginning on or after July 1, 2018.

CURRENT LAW: Real property occupied by a charter school, regardless of whether it is a for profit or a nonprofit charter school, is exempt from property tax as long as the property is wholly and exclusively used for educational purposes.

Mobile classrooms that are wholly and exclusively used for educational purposes by *nonprofit* charter schools are exempt from property tax, but mobile classrooms used by *for profit* charter schools are not currently exempt.

Charter schools must apply annually to receive the property tax exemption for their real and personal property.

BILL ANALYSIS: Section 25 of S.L. 2018-114 expands the current law as follows:

- It exempts all personal property of both nonprofit and for profit charter schools, which would include mobile classrooms used by for profit charters, which are not currently exempt.
- In all instances, the property must be wholly and exclusively used for educational purposes; the exemption applies regardless of ownership.

By virtue of a change in [Section 38.10\(d\) in the 2018 Appropriations Act](#), a charter school will only have to apply once with respect to the exemption for real and personal property and the exemption for mobile classrooms.

EFFECTIVE DATE: This section became effective for taxable years beginning on or after July 1, 2018.

See [House Bill 374, Regulatory Reform Act of 2018](#), for summary of remaining bill sections. This bill was vetoed by the Governor on June 25, 2018, and that veto was overridden by the General Assembly on June 27, 2018.

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Legislative Analysis
Division
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