



OFFICE OF THE ATTORNEY GENERAL OF TEXAS

AUSTIN

GERALD C. MANN
ATTORNEY GENERAL

Kerr Co

Honorable Walter Petsch
County Attorney
Kerrville, Texas

Dear Sir:

Opinion No. 0-1186
Re: Whether bond issued by
independent school district
or municipal corporation is
subject to personal property
tax.

We received your letter of July 22, 1939, requesting our opinion as to whether bonds issued by independent school districts and other municipal corporations are subject to the personal property tax.

Article 8, Section 2 of the Constitution of Texas, describes certain property which the Legislature is authorized by general laws to exempt from taxation. In the closing sentence thereof, it provides that "all laws exempting property from taxation, other than the property above mentioned, shall be null and void." While such Article of the Constitution authorizes the exemption of public property used for public purposes, it nowhere provides that the Legislature may provide for the exemption of bonds issued by school districts and other municipal corporations. Article 11, Section 9 of the State Constitution, reads as follows:

"The property of counties, cities and towns, owned and held only for public purposes, such as public buildings and the sites therefor. Fire engines and the furniture thereof, and all property used, or intended for extinguishing fires, public grounds and all other property devoted exclusively to the use and benefit of the public shall be exempt from forced sale and from taxation, provided, nothing herein shall prevent the enforcement of the vendors lien, the mechanics or builders lien, or other liens now existing."

Hon. Walter Patsch, Page 2

The Constitution contains no other provisions relating to the exemption of public property from taxation than the provisions mentioned above. Furthermore, the statutes have not attempted to extend exemption from taxation to bonds of the kind which you mention. Article 7145, Revised Civil Statutes, provides that "all property, real, personal or mixed, except such as may be hereinafter expressly exempted, is subject to taxation, and the same shall be rendered and listed as herein prescribed."

Article 7147, Revised Civil Statutes, declares that "personal property for the purposes of taxation shall be construed to include all . . . bonds and other evidences of debt. . ."

In furtherance of the Constitution, Article 7150, Revised Civil Statutes, describes property which shall be exempt from taxation. Sections 4 and 5 of said Article 7150 relate to the exemption extended to public property and to county buildings. Even if the Constitution authorized, there is no language in said Article 7150 which would withdraw bonds of the character under discussion from the provisions of Article 7147, Revised Civil Statutes. Our answer to your question follows that such bonds are subject to personal property tax.

Yours very truly

ATTORNEY GENERAL OF TEXAS

By *Glenn R. Lewis*
Glenn R. Lewis
Assistant



GRL:N

APPROVED AUG 11, 1939

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ATTORNEY GENERAL OF TEXAS