

By: Landgraf

H.B. No. 3355

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to exemption from taxation of facilities, devices, or  
3 methods used to control pollution.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Sections 11.31(b), (i), and (k), Tax Code, are  
6 amended to read as follows:

7 (b) In this section, "facility, device, or method for the  
8 control of air, water, or land pollution" means land that is  
9 acquired after January 1, 1994, or any structure, building,  
10 installation, excavation, machinery, equipment, or device, other  
11 than a motor vehicle, and any attachment or addition to or  
12 reconstruction, replacement, or improvement of that property, that  
13 is:

14 (1) used, constructed, acquired, or installed wholly  
15 or partly to meet or exceed rules or regulations adopted by any  
16 agency [environmental protection agency] of the United States, this  
17 state, or a political subdivision of this state for the prevention,  
18 monitoring, control, or reduction of air, water, or land pollution;

19 (2) demonstrated to prevent, monitor, control, or  
20 reduce air, water or land pollution; or

21 (3) used, constructed, acquired, or installed wholly  
22 or partly for the purpose of:

23 (A) capturing, storing, sequestering, using,  
24 reusing, gathering or transporting carbon dioxide emissions to

1 prevent carbon dioxide from entering the atmosphere; or

2 (B) removing carbon dioxide from the atmosphere.

3 [~~This section does not apply to a motor vehicle.~~]

4 (i) A person seeking an exemption under this section shall  
5 provide to the chief appraiser a copy of the letter issued by the  
6 executive director of the Texas Commission on Environmental Quality  
7 under Subsection (d) determining that the facility, device, or  
8 method is used wholly or partly as pollution control property. The  
9 chief appraiser shall accept a final determination by the executive  
10 director as conclusive evidence that the facility, device, or  
11 method is used wholly or partly as pollution control property, and  
12 shall issue an appraisal that is no less than twenty-five percent of  
13 the cost of capital of the pollution control property.

14 (k) The Texas Commission on Environmental Quality shall  
15 adopt rules establishing a nonexclusive list of facilities,  
16 devices, or methods for the control of air, water, or land  
17 pollution, which must include:

18 (1) coal cleaning or refining facilities;

19 (2) atmospheric or pressurized and bubbling or  
20 circulating fluidized bed combustion systems and gasification  
21 fluidized bed combustion combined cycle systems;

22 (3) ultra-supercritical pulverized coal boilers;

23 (4) flue gas recirculation components;

24 (5) syngas purification systems and gas-cleanup  
25 units;

26 (6) enhanced heat recovery systems;

27 (7) exhaust heat recovery boilers;

- 1           (8) heat recovery steam generators;
- 2           (9) superheaters and evaporators;
- 3           (10) enhanced steam turbine systems;
- 4           (11) methanation;
- 5           (12) coal combustion or gasification byproduct and  
6 coproduct handling, storage, or treatment facilities;
- 7           (13) biomass cofiring storage, distribution, and  
8 firing systems;
- 9           (14) coal cleaning or drying processes, such as coal  
10 drying/moisture reduction, air jigging, precombustion  
11 decarbonization, and coal flow balancing technology;
- 12           (15) oxy-fuel combustion technology, amine or chilled  
13 ammonia scrubbing, fuel or emission conversion through the use of  
14 catalysts, enhanced scrubbing technology, modified combustion  
15 technology such as chemical looping, and cryogenic technology;
- 16           (16) ~~[if the United States Environmental Protection~~  
17 ~~Agency adopts a final rule or regulation regulating carbon dioxide~~  
18 ~~as a pollutant,~~] property that is used, constructed, acquired, or  
19 installed wholly or partly to capture carbon dioxide ~~[from an~~  
20 ~~anthropogenic source]~~ in this state that is geologically  
21 sequestered or utilized in this state;
- 22           (17) fuel cells generating electricity using hydrogen  
23 derived from coal, biomass, petroleum coke, or solid waste; and
- 24           (18) any other equipment designed to prevent, capture,  
25 abate, or monitor nitrogen oxides, volatile organic compounds,  
26 particulate matter, mercury, carbon monoxide, or any criteria  
27 pollutant.

1           SECTION 2. The changes in law made by this Act to Section  
2 11.31(b), Tax Code, applies to facilities, devices, or methods for  
3 the control of air, water, or land pollution that are used for the  
4 purposes described in Section 11.31(b), Tax Code, on or after the  
5 effective date of this Act.

6           SECTION 3. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2023.