

By: Gervin-Hawkins

H.B. No. 4950

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to an exemption from ad valorem taxation of the amount of  
3 the appraised value of real property that arises from the  
4 installation in the property of certain energy efficiency-related  
5 improvements.

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

7 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by  
8 adding Section 11.272 to read as follows:

9 Sec. 11.272. ENERGY-EFFICIENT IMPROVEMENTS. (a) In this  
10 section, "energy efficiency-related improvement" means an  
11 improvement or technology that reduces the amount of energy needed  
12 to perform the basic functions of a property, including:

13 (1) a high-efficiency heating, ventilation, and air  
14 conditioning system;

15 (2) a central air conditioning demand response  
16 technology;

17 (3) a high-efficiency heat pump;

18 (4) attic insulation;

19 (5) a radiant barrier;

20 (6) a smart thermostat;

21 (7) a high-efficiency water heater;

22 (8) an electric vehicle charging demand response  
23 technology;

24 (9) high-efficiency windows; and

1           (10) the sealing or resealing of doors, windows, or  
2 other openings.

3           (b) A person is entitled to an exemption from taxation of  
4 the amount of the appraised value of real property owned by the  
5 person that arises from the installation in the property of an  
6 energy efficiency-related improvement.

7           (c) The comptroller, with the assistance of the State Energy  
8 Conservation Office or its successor, shall develop guidelines to  
9 assist local officials in the administration of this section.

10           SECTION 2. Section 11.43(c), Tax Code, is amended to read as  
11 follows:

12           (c) An exemption provided by Section 11.13, 11.131, 11.132,  
13 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19,  
14 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231,  
15 11.254, 11.27, 11.271, 11.272, 11.29, 11.30, 11.31, 11.315, or  
16 11.35, once allowed, need not be claimed in subsequent years, and  
17 except as otherwise provided by Subsection (e), the exemption  
18 applies to the property until it changes ownership or the person's  
19 qualification for the exemption changes. However, except as  
20 provided by Subsection (r), the chief appraiser may require a  
21 person allowed one of the exemptions in a prior year to file a new  
22 application to confirm the person's current qualification for the  
23 exemption by delivering a written notice that a new application is  
24 required, accompanied by an appropriate application form, to the  
25 person previously allowed the exemption. If the person previously  
26 allowed the exemption is 65 years of age or older, the chief  
27 appraiser may not cancel the exemption due to the person's failure

1 to file the new application unless the chief appraiser complies  
2 with the requirements of Subsection (q), if applicable.

3 SECTION 3. This Act applies beginning with the 2024 tax  
4 year.

5 SECTION 4. This Act takes effect January 1, 2024, but only  
6 if the constitutional amendment proposed by the 88th Legislature,  
7 Regular Session, 2023, to authorize the legislature to provide for  
8 an exemption from ad valorem taxation of the amount of the market  
9 value of real property that arises from the installation in the  
10 property of certain energy efficiency-related improvements is  
11 approved by the voters. If that amendment is not approved by the  
12 voters, this Act has no effect.