

## **BILL ANALYSIS**

C.S.H.B. 1952  
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Economic Development  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Population growth in Texas is at an all time high, and electricity demands are growing at or above the same pace. Forecasters predict that electrical generating capacity could reach critical levels and that Texas must increase its energy capacity by 63 percent by 2025.

Integrated gasification combined cycle technology is a method of power generation designed to minimize emissions and to effectively utilize available resources. Its development as an energy alternative should be encouraged through tax incentives.

The purpose of C.S.H.B. 1952 is to authorize new electric generating facilities that use integrated gasification combined cycle technology to qualify as eligible entities under Chapter 313 of the Tax Code.

### **RULEMAKING AUTHORITY**

It is the opinion of the committee that this legislation does not expressly grant additional rulemaking to any state office, department, agency, or institution.

### **ANALYSIS**

SECTION 1. Amends Section 313.024(b), Tax Code, as effective January 1, 2008, as follows:

(b) Adds language to establish that a gasification project that uses various methods of feedstock to fuel gasification and an electric generation project that uses integrated gasification combined cycle technology both qualify as eligible entities for a limitation on appraised value under this subchapter.

SECTION 2. States the effective date for this Act.

### **EFFECTIVE DATE**

This Act takes effect January 1, 2008.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The substitute adds new language to clarify the application of Chapter 313 of the Tax Code to industrial operational use of gasification technology, which uses various methods of feedstock to fuel gasification. The intent is to incentivize large industrial operations to provide their own power, thus leaving the grid for smaller business and residential use.