

BILL ANALYSIS

Senate Research Center
81R10393 JD-D

S.B. 1311
By: Duncan
Economic Development
3/19/2009
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, the Tax Code permits counties to execute tax abatement agreements with the owners of taxable property located in a reinvestment zone. However, it is unclear whether such agreements can be entered into with an entity that leases the real property for purposes of placing wind turbines or other renewable energy generation fixtures on the real property. Such abatements are important in counties where renewable energy resources are under development.

As proposed, S.B. 1311 authorizes a county to enter into a tax abatement agreement with a lessee of taxable real property located in a reinvestment zone. The agreement may exempt from taxation all or a portion of the value of fixtures, improvements, other real property or all or a portion of the value of tangible personal property owned by the lessee and located on the property or real property that is subject of the lease or all or a portion of the value of both used for renewable energy electric generation, which is owned by the lessee and located on the real property.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 312.402, Tax Code, by adding Subsection (a-1), as follows:

(a-1) Provides that this subsection applies only to tangible personal property and fixtures, improvements, or other real property used for renewable energy electric generation. Authorizes the commissioners court to execute a tax abatement agreement with a lessee of taxable real property located in a reinvestment zone designated under this subchapter to exempt from taxation all or a portion of the value of fixtures, improvements, or other real property owned by the lessee and located on the property that is the subject of the lease, all or a portion of the value of tangible personal property owned by the lessee and located on the real property that is the subject of the lease, or all or a portion of the value of both.

SECTION 2. Effective date: upon passage or September 1, 2009.