

By: Leibowitz

H.B. No. 1751

A BILL TO BE ENTITLED

1 AN ACT
2 relating to an exemption from ad valorem taxation of a renewable
3 energy device, structure, facility, or system installed or
4 constructed on residential property, land designated for
5 agricultural use, or open-space land devoted to farm or ranch
6 purposes for the generation of energy for use in connection with the
7 property.

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

9 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by
10 adding Section 11.34 to read as follows:

11 Sec. 11.34. RENEWABLE ENERGY DEVICE, STRUCTURE, FACILITY,
12 OR SYSTEM INSTALLED ON RESIDENTIAL PROPERTY OR AGRICULTURAL LAND.

13 (a) In this section, "renewable energy device, structure, facility,
14 or system" means:

15 (1) a device, structure, facility, or system that
16 generates electricity using energy derived from:

17 (A) solar power;

18 (B) wind power;

19 (C) a fuel cell;

20 (D) methane gas from a landfill;

21 (E) ocean thermal power;

22 (F) wave or tidal power;

23 (G) a low emission advanced renewable energy
24 conversion technology;

1 (H) hydropower, provided that the facility:

2 (i) is a run-of-the-river hydropower
3 facility;

4 (ii) has a generating capacity of not more
5 than five megawatts; and

6 (iii) does not cause an appreciable change
7 in the river flow; or

8 (I) biomass, provided that the facility:

9 (i) is a sustainable biomass facility;

10 (ii) has an average emission rate of not
11 more than 0.075 pounds of nitrogen oxides per million British
12 thermal units of heat input; and

13 (iii) has a capacity of less than 500
14 kilowatts;

15 (2) a passive or active solar water or space heating
16 system; or

17 (3) a system that relies on energy derived directly
18 from geothermal energy.

19 (b) A person is entitled to an exemption from taxation of
20 the amount of the appraised value of a single-family residential
21 property, a multifamily residential property consisting of not more
22 than four dwelling units, or land appraised as provided by
23 Subchapter C, Chapter 23, or by Subchapter D of that chapter, other
24 than as timberland or wildlife management land, that the person
25 owns that arises from the installation or construction on the
26 property of a renewable energy device, structure, facility, or
27 system if:

1 (1) the installation or construction of the device,
2 structure, facility, or system began on or after October 1, 2007;
3 and

4 (2) the energy generated by the device, structure,
5 facility, or system is used in connection with the property.

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

9 SECTION 2. Section 11.43, Tax Code, is amended by amending
10 Subsection (c) and adding Subsection (n) to read as follows:

11 (c) An exemption provided by Section 11.13, 11.17, 11.18,
12 11.182, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(h), (j), or
13 (j-1), 11.29, 11.30, ~~or~~ 11.31, or 11.34, once allowed, need not be
14 claimed in subsequent years, and except as otherwise provided by
15 Subsection (e), the exemption applies to the property until it
16 changes ownership or the person's qualification for the exemption
17 changes. However, the chief appraiser may require a person allowed
18 one of the exemptions in a prior year to file a new application to
19 confirm the person's current qualification for the exemption by
20 delivering a written notice that a new application is required,
21 accompanied by an appropriate application form, to the person
22 previously allowed the exemption.

23 (n) Notwithstanding Subsection (c), if a person who
24 receives an exemption provided by Section 11.34 modifies the
25 renewable energy device, structure, facility, or system for which
26 the exemption is allowed in a manner for which a building permit is
27 required, the person must reapply for the exemption in the manner

1 provided by this section in order to continue receiving the
2 exemption. If the exemption is allowed, the exemption need not be
3 claimed in subsequent years and, except as otherwise provided by
4 this section, applies to the property until it changes ownership or
5 the person's qualification for the exemption changes.

6 SECTION 3. As soon as practicable after the effective date
7 of this Act, the comptroller, with the assistance of the State
8 Energy Conservation Office, shall develop the guidelines required
9 by Section 11.34, Tax Code, as added by this Act.

10 SECTION 4. This Act applies only to ad valorem taxes imposed
11 for a tax year beginning on or after the effective date of this Act.

12 SECTION 5. This Act takes effect January 1, 2010, but only
13 if the constitutional amendment to authorize the legislature to
14 exempt from ad valorem taxation a renewable energy device,
15 structure, facility, or system installed or constructed on
16 residential property, land designated for agricultural use, or
17 open-space land devoted to farm or ranch purposes for the
18 generation of energy for use in connection with the property is
19 approved by the voters. If that amendment is not approved by the
20 voters, this Act has no effect.