

By: Farias

H.B. No. 2753

A BILL TO BE ENTITLED

AN ACT

relating to the voluntary assessment of property owners by a county to finance certain solar energy improvements.

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

SECTION 1. Subtitle B, Title 12, Local Government Code, is amended by adding Chapter 388 to read as follows:

CHAPTER 388. CONTRACTUAL ASSESSMENTS FOR SOLAR ENERGY IMPROVEMENTS

Sec. 388.001. DEFINITIONS. In this chapter:

(1) "Eligible solar energy improvement" means a photovoltaic or solar thermal system installed on residential property.

(2) "Photovoltaic system" means an energy system that collects or absorbs sunlight for conversion into electricity.

(3) "Solar thermal system" means an energy system that collects or absorbs solar energy for conversion into heat for the purposes of space heating, space cooling, or water heating.

Sec. 388.002. ORDER IMPOSING SOLAR ENERGY SPECIAL ASSESSMENT. (a) The commissioners court of a county may provide by order for a solar energy improvement special assessment to be imposed on a single-family residential property within the boundaries of the county if the owner of the property requests the assessment.

(b) The purpose of the solar energy improvement special assessment is to increase access by residents of the county to the

1 benefits of residential solar technology improvements by  
2 participation in a voluntary special assessment on their  
3 residential property that can be used to facilitate financing  
4 arrangements for the eligible solar energy improvements.

5 Sec. 388.003. IMPLEMENTATION OF SOLAR ENERGY IMPROVEMENT  
6 SPECIAL ASSESSMENT. A commissioners court adopting an order  
7 providing for a solar energy improvement special assessment shall  
8 direct the appropriate appraisal district to include the solar  
9 energy improvement special assessment in the property tax  
10 assessments for property subject to the assessment and to collect  
11 the assessment at the same time and in the same manner as property  
12 taxes are levied and collected if:

13 (1) the property owner has submitted a written  
14 application, in a format approved by the county treasurer,  
15 requesting that the solar energy improvement special assessment be  
16 applied to the owner's property for the purpose of financing an  
17 eligible solar energy improvement on the property;

18 (2) the county tax assessor-collector has verified  
19 that:

20 (A) the property owner requesting the solar  
21 energy improvement special assessment is the owner of record of the  
22 property with respect to which the solar energy improvement special  
23 assessment will be imposed; and

24 (B) there are no delinquent taxes on the  
25 property;

26 (3) the property owner has submitted certification, in  
27 a format approved by the county treasurer, that the improvements to

1 the property:

2 (A) are eligible solar energy improvements;

3 (B) comply with guidelines for residential  
4 photovoltaic or solar thermal systems established by the Texas  
5 Commission on Environmental Quality; and

6 (C) will be installed in compliance with any  
7 guidelines established by the Texas Commission on Environmental  
8 Quality for installation of photovoltaic or solar thermal systems;  
9 and

10 (4) the property owner has submitted documentation, in  
11 a format approved by the county treasurer, of the proposed  
12 financing agreement for the solar energy improvements to the  
13 property to establish:

14 (A) that the financing will be provided by a  
15 financial institution certified as a solar energy improvement  
16 financing institution under Section 388.006;

17 (B) that the financing is for an amount,  
18 including principal, interest, and administrative fees to the  
19 county, that is not more than 40 percent of the assessed value of  
20 the property according to current county appraisal district  
21 records; and

22 (C) the annual amount of the solar energy  
23 improvement special assessment necessary to satisfy the financing  
24 agreement and the number of years the assessment must be imposed on  
25 the property.

26 Sec. 388.004. SOLAR ENERGY IMPROVEMENT SPECIAL ASSESSMENT;

27 LIEN CREATED. (a) The amount of the solar energy improvement

1 special assessment on a property is the amount necessary to pay the  
2 costs of the eligible solar energy improvements, the costs of the  
3 financing of the improvements when due, and the administrative fees  
4 collected by the county. An agreement entered into by the owner of  
5 the property with the solar energy improvement financing  
6 institution and submitted under this section is conclusive  
7 regarding the amount that may be assessed against the property.

8 (b) The solar energy improvement special assessment shall  
9 be imposed at the same time and in the same manner as property taxes  
10 are imposed. Money derived from the imposition of the solar energy  
11 improvement special assessment shall be kept separate from other  
12 county funds.

13 (c) A solar energy improvement special assessment  
14 constitutes a lien on the property that is effective during the  
15 period in which the assessment is imposed and has priority equal to  
16 other property tax liens.

17 Sec. 388.005. SOLAR ENERGY IMPROVEMENT SPECIAL ASSESSMENT;  
18 DISBURSEMENT OF PROCEEDS. (a) Proceeds from a solar energy  
19 improvement special assessment on a property shall be disbursed by  
20 the county treasurer solely for the purposes of:

21 (1) financing the solar energy improvements to that  
22 property; and

23 (2) paying the applicable administrative fees to the  
24 county.

25 (b) The county treasurer shall enter into an agreement with  
26 the solar energy improvement financing institution providing  
27 financing to the property owner specifying the procedures by which

1 the treasurer shall transfer the revenue from the assessment to the  
2 institution.

3 Sec. 388.006. SOLAR ENERGY IMPROVEMENT FINANCING  
4 INSTITUTIONS; CERTIFICATION OF QUALIFIED ENTITIES. The Finance  
5 Commission of Texas shall adopt rules for the certification of a  
6 financial institution as a solar energy improvement financing  
7 institution. The rules must ensure that a solar energy improvement  
8 financing institution is:

9 (1) a member institution of the Federal Deposit  
10 Insurance Corporation or the National Credit Union Administration;  
11 or

12 (2) an entity that the Finance Commission of Texas  
13 finds meets generally accepted criteria for financial stability and  
14 soundness.

15 Sec. 388.007. ADDITIONAL CRITERIA PROHIBITED. (a) A  
16 county may not establish additional criteria for participation by  
17 property owners in the solar energy improvement special assessment  
18 beyond those provided by this chapter.

19 (b) A county may not require, as a condition of being  
20 subject to a solar energy improvement special assessment, that a  
21 property comply with energy efficiency standards, including energy  
22 audits, appliance replacement, or energy efficiency improvements.

23 SECTION 2. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section 39, Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2009.