

By: Isett

H.B. No. 3699

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to eligibility for the ad valorem tax exemption for  
3 pollution control property and the adjustment of the rollback tax  
4 rate of a taxing unit to compensate for the costs of compliance with  
5 pollution control requirements.

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

7 SECTION 1. Section 11.31(k), Tax Code, is amended to read as  
8 follows:

9 (k) The Texas Commission on Environmental Quality shall  
10 adopt rules establishing a nonexclusive list of facilities,  
11 devices, or methods for the control of air, water, or land  
12 pollution, which must include:

- 13 (1) coal cleaning or refining facilities;
- 14 (2) atmospheric or pressurized and bubbling or  
15 circulating fluidized bed combustion systems and gasification  
16 fluidized bed combustion combined cycle systems;
- 17 (3) ultra-supercritical pulverized coal boilers;
- 18 (4) flue gas recirculation components;
- 19 (5) syngas purification systems and gas-cleanup  
20 units;
- 21 (6) enhanced heat recovery systems;
- 22 (7) exhaust heat recovery boilers;
- 23 (8) heat recovery steam generators;
- 24 (9) superheaters and evaporators;

1 (10) enhanced steam turbine systems;

2 (11) methanation;

3 (12) coal combustion or gasification byproduct and  
4 coproduct handling, storage, or treatment facilities;

5 (13) biomass cofiring storage, distribution, and  
6 firing systems;

7 (14) coal cleaning or drying processes, such as coal  
8 drying/moisture reduction, air jigging, precombustion  
9 decarbonization, and coal flow balancing technology;

10 (15) oxy-fuel combustion technology, amine or chilled  
11 ammonia scrubbing, fuel or emission conversion through the use of  
12 catalysts, enhanced scrubbing technology, modified combustion  
13 technology such as chemical looping, and cryogenic technology;

14 (16) if a local, state, or federal governmental entity  
15 [~~the United States Environmental Protection Agency~~] adopts a final  
16 rule or regulation regulating carbon dioxide as a pollutant,  
17 property that is used, constructed, acquired, or installed wholly  
18 or partly to capture or transport carbon dioxide from an  
19 anthropogenic source in this state that is geologically sequestered  
20 in this state;

21 (17) fuel cells generating electricity using hydrogen  
22 derived from coal, biomass, petroleum coke, or solid waste; and

23 (18) any other equipment designed to prevent, capture,  
24 abate, or monitor nitrogen oxides, volatile organic compounds,  
25 particulate matter, mercury, carbon monoxide, or any criteria  
26 pollutant.

27 SECTION 2. Section 26.045(f), Tax Code, is amended to read

1 as follows:

2 (f) The Texas Commission on Environmental Quality shall  
3 adopt rules establishing a nonexclusive list of facilities,  
4 devices, or methods for the control of air, water, or land  
5 pollution, which must include:

- 6 (1) coal cleaning or refining facilities;
- 7 (2) atmospheric or pressurized and bubbling or  
8 circulating fluidized bed combustion systems and gasification  
9 fluidized bed combustion combined cycle systems;
- 10 (3) ultra-supercritical pulverized coal boilers;
- 11 (4) flue gas recirculation components;
- 12 (5) syngas purification systems and gas-cleanup  
13 units;
- 14 (6) enhanced heat recovery systems;
- 15 (7) exhaust heat recovery boilers;
- 16 (8) heat recovery steam generators;
- 17 (9) superheaters and evaporators;
- 18 (10) enhanced steam turbine systems;
- 19 (11) methanation;
- 20 (12) coal combustion or gasification byproduct and  
21 coproduct handling, storage, or treatment facilities;
- 22 (13) biomass cofiring storage, distribution, and  
23 firing systems;
- 24 (14) coal cleaning or drying processes such as coal  
25 drying/moisture reduction, air jigging, precombustion  
26 decarbonization, and coal flow balancing technology;
- 27 (15) oxy-fuel combustion technology, amine or chilled

1 ammonia scrubbing, fuel or emission conversion through the use of  
2 catalysts, enhanced scrubbing technology, modified combustion  
3 technology such as chemical looping, and cryogenic technology;

4           (16) if a local, state, or federal governmental entity  
5 [~~the United States Environmental Protection Agency~~] adopts a final  
6 rule or regulation regulating carbon dioxide as a pollutant,  
7 property that is used, constructed, acquired, or installed wholly  
8 or partly to capture or transport carbon dioxide from an  
9 anthropogenic source in this state that is geologically sequestered  
10 in this state;

11           (17) fuel cells generating electricity using hydrogen  
12 derived from coal, biomass, petroleum coke, or solid waste; and

13           (18) any other equipment designed to prevent, capture,  
14 abate, or monitor nitrogen oxides, volatile organic compounds,  
15 particulate matter, mercury, carbon monoxide, or any criteria  
16 pollutant.

17           SECTION 3. This Act applies only to ad valorem taxes imposed  
18 for a tax year beginning on or after the effective date of this Act.

19           SECTION 4. This Act takes effect January 1, 2010.