

By: Anchia

H.B. No. 1173

A BILL TO BE ENTITLED

AN ACT

relating to a credit against the ad valorem taxes imposed on property on which certain water conservation systems have been installed.

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

SECTION 1. Chapter 31, Tax Code, is amended by adding Section 31.038 to read as follows:

Sec. 31.038. TAX CREDIT FOR CERTAIN WATER CONSERVATION SYSTEMS. (a) In this section:

(1) "Drip irrigation system" means a low pressure, low volume irrigation system that delivers water to the roots or base of a plant through surface or subsurface lines, tubes, and emitters.

(2) "Rainwater harvesting system" means a system for the capture and storage of rainwater for subsequent use. For the purposes of this section, a rainwater harvesting system must store water in cisterns capable of holding 400 or more gallons of water.

(b) A person who installs a drip irrigation system or a rainwater harvesting system on the person's property is entitled to a credit against the taxes imposed on the property by a taxing unit that taxes the property if the credit is adopted by the governing body of the taxing unit in the manner provided by law for official action.

(c) The amount of the credit under this section to which a person is entitled against the taxes imposed on the property by a

taxing unit described by Subsection (b) is computed by:

(1) dividing the amount of taxes imposed on the property by the taxing unit by the total amount of taxes imposed on the property by all of the taxing units described by Subsection (b); and

(2) multiplying the amount computed under Subdivision (1) by the following amount, as applicable:

(A) for a drip irrigation system, an amount equal to the lesser of:

(i) 25 percent of the total cost to the person for installation of the system; or

(ii) \$2,500; or

(B) for a rainwater harvesting system, an amount equal to the least of:

(i) \$1 for each gallon of storage capacity provided by the system;

(ii) 50 percent of the total cost to the person for installation of the system; or

(iii) \$5,000.

(d) A person may receive a credit under this section only in the first tax year after the year in which the person installed the drip irrigation system or rainwater harvesting system on the person's property, except that if the amount of the credit to which the person is entitled under this section in any tax year exceeds the amount of tax imposed on the property in that tax year, the excess amount may be carried forward and credited against the taxes imposed in the following tax year.

1       (e) To receive a credit under this section against the taxes  
2 imposed by a taxing unit on the person's property, a person must  
3 file an application with the chief appraiser of the appraisal  
4 district in which the property is located. The application must  
5 include:

6           (1) the installation costs incurred by the person if  
7 the credit is based on installation of a drip irrigation system; or

8           (2) the installation costs incurred by the person and  
9 the total volume of the storage capacity provided by the system if  
10 the credit is based on the installation of a rainwater harvesting  
11 system.

12       (f) The chief appraiser shall forward a copy of the  
13 application to the assessor for each taxing unit described by  
14 Subsection (b). The assessors for the taxing units shall consult  
15 with one another as necessary to compute the amount of the credit to  
16 be granted by each taxing unit.

17       (g) A credit provided by this section, once allowed, need  
18 not be claimed in subsequent years and applies to the property  
19 regardless of any subsequent change in ownership of the property.

20       SECTION 2. Section 403.302(d), Government Code, is amended  
21 to read as follows:

22       (d) For the purposes of this section, "taxable value" means  
23 the market value of all taxable property less:

24           (1) the total dollar amount of any residence homestead  
25 exemptions lawfully granted under Section 11.13(b) or (c), Tax  
26 Code, in the year that is the subject of the study for each school  
27 district;

1           (2) one-half of the total dollar amount of any  
2 residence homestead exemptions granted under Section 11.13(n), Tax  
3 Code, in the year that is the subject of the study for each school  
4 district;

5           (3) the total dollar amount of any exemptions granted  
6 before May 31, 1993, within a reinvestment zone under agreements  
7 authorized by Chapter 312, Tax Code;

8           (4) subject to Subsection (e), the total dollar amount  
9 of any captured appraised value of property that:

10           (A) is within a reinvestment zone created on or  
11 before May 31, 1999, or is proposed to be included within the  
12 boundaries of a reinvestment zone as the boundaries of the zone and  
13 the proposed portion of tax increment paid into the tax increment  
14 fund by a school district are described in a written notification  
15 provided by the municipality or the board of directors of the zone  
16 to the governing bodies of the other taxing units in the manner  
17 provided by former Section 311.003(e), Tax Code, before May 31,  
18 1999, and within the boundaries of the zone as those boundaries  
19 existed on September 1, 1999, including subsequent improvements to  
20 the property regardless of when made;

21           (B) generates taxes paid into a tax increment  
22 fund created under Chapter 311, Tax Code, under a reinvestment zone  
23 financing plan approved under Section 311.011(d), Tax Code, on or  
24 before September 1, 1999; and

25           (C) is eligible for tax increment financing under  
26 Chapter 311, Tax Code;

27           (5) the total dollar amount of any captured appraised

value of property that:

(A) is within a reinvestment zone:

(i) created on or before December 31, 2008,  
by a municipality with a population of less than 18,000; and

(ii) the project plan for which includes  
the alteration, remodeling, repair, or reconstruction of a  
structure that is included on the National Register of Historic  
Places and requires that a portion of the tax increment of the zone  
be used for the improvement or construction of related facilities  
or for affordable housing;

(B) generates school district taxes that are paid  
into a tax increment fund created under Chapter 311, Tax Code; and

(C) is eligible for tax increment financing under  
Chapter 311, Tax Code;

(6) the total dollar amount of any exemptions granted  
under Section 11.251 or 11.253, Tax Code;

(7) the difference between the comptroller's estimate  
of the market value and the productivity value of land that  
qualifies for appraisal on the basis of its productive capacity,  
except that the productivity value estimated by the comptroller may  
not exceed the fair market value of the land;

(8) the portion of the appraised value of residence  
homesteads of individuals who receive a tax limitation under  
Section 11.26, Tax Code, on which school district taxes are not  
imposed in the year that is the subject of the study, calculated as  
if the residence homesteads were appraised at the full value  
required by law;

1           (9) a portion of the market value of property not  
2 otherwise fully taxable by the district at market value because of:

3                   (A) action required by statute or the  
4 constitution of this state that, if the tax rate adopted by the  
5 district is applied to it, produces an amount equal to the  
6 difference between the tax that the district would have imposed on  
7 the property if the property were fully taxable at market value and  
8 the tax that the district is actually authorized to impose on the  
9 property, if this subsection does not otherwise require that  
10 portion to be deducted; or

11                   (B) action taken by the district under Subchapter  
12 B or C, Chapter 313, Tax Code, before the expiration of the  
13 subchapter;

14           (10) the market value of all tangible personal  
15 property, other than manufactured homes, owned by a family or  
16 individual and not held or used for the production of income;

17           (11) the appraised value of property the collection of  
18 delinquent taxes on which is deferred under Section 33.06, Tax  
19 Code;

20           (12) the portion of the appraised value of property  
21 the collection of delinquent taxes on which is deferred under  
22 Section 33.065, Tax Code; ~~and~~

23           (13) the amount by which the market value of a  
24 residence homestead to which Section 23.23, Tax Code, applies  
25 exceeds the appraised value of that property as calculated under  
26 that section; and

27           (14) an amount equal to the taxable value required to

1 generate revenue, when taxed at the school district's tax rate in  
2 the year that is the subject of the study, in an amount that is equal  
3 to the total amount of the credits provided by the district under  
4 Section 31.038, Tax Code, in that year.

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

7         SECTION 4. This Act takes effect January 1, 2014.