

By: Anchia

H.B. No. 1736

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to an exemption from property taxation for certain  
3 facilities that convert landfill generated methane into renewable  
4 natural gas.

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

6 SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by  
7 adding Section 11.35 to read as follows:

8 Sec. 11.35 LANDFILL GENERATED METHANE CONVERSION  
9 FACILITIES. (a) A person is entitled to an exemption from taxation  
10 of all real and personal property owned or leased by a person that  
11 is used as part of or in connection with a Renewable Natural Gas  
12 Facility to produce Renewable Natural Gas, which collectively is a  
13 facility, device, or method for the control of air, water, or land  
14 pollution.

15 (b) In this section, "Renewable Natural Gas" means product  
16 gas derived from landfill gas collected at a landfill that has been  
17 processed by a Renewable Natural Gas Facility to meet either:

18 (i) the gas quality requirements of the natural gas  
19 pipeline into which such product gas is injected; or

20 (ii) the gas quality required for use as a  
21 transportation fuel in methane powered on-road or off-road vehicles  
22 or equipment.

23 (c) In this section, "Renewable Natural Gas Facility" means  
24 the real and personal property used to accomplish the collection,

1 compression, transport and processing of landfill gas into  
2 Renewable Natural Gas either into a natural gas pipeline or by  
3 delivery to a methane fueling station and/or a methane fueling  
4 station, including dispensing equipment, if located on or in close  
5 proximity to the landfill from which the Renewable Natural Gas is  
6 produced. "Renewable Natural Gas Facility" includes wells;  
7 wellheads and related hardware; wells, pipes and equipment for  
8 injection of liquids into a landfill to enhance production of  
9 landfill gas and recovery of landfill air space; all landfill gas  
10 collection system and processing equipment piping; waste liquids  
11 disposal equipment; hoses; pipelines; pumps; sumps; blowers;  
12 compressors; gas dryers; gas treatment equipment used to separate  
13 or remove carbon dioxide, sulfur and other chemicals from the  
14 product gas; valves; thermal destruction equipment, including  
15 flares and thermal oxidizers; electronic controls and processors;  
16 electric equipment; wiring; transformers; switchgear; onsite  
17 offices, storage and equipment buildings, containers, tanks and  
18 other structures; spare parts; chemical media; meters; calibration  
19 gas; gas chromatographs and other measuring equipment; valves;  
20 flanges; pipeline interconnection equipment; and fueling station  
21 equipment, including compressors, buffering vessels, methane  
22 fueling posts, hoses, fast-fill dispensers, control equipment and  
23 all related equipment.

24 SECTION 2. Section 11.43(c), Tax Code, is amended to read as  
25 follows:

26 (c) An exemption provided by Section 11.13, 11.131, 11.17,  
27 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22,

1 11.23(h), (j), or (j-1), 11.231, 11.254, 11.29, 11.30, ~~or~~ 11.31, or  
2 11.35, once allowed, need not be claimed in subsequent years, and  
3 except as otherwise provided by Subsection (e), the exemption  
4 applies to the property until it changes ownership or the person's  
5 qualification for the exemption changes. However, the chief  
6 appraiser may require a person allowed one of the exemptions in a  
7 prior year to file a new application to confirm the person's current  
8 qualification for the exemption by delivering a written notice that  
9 a new application is required, accompanied by an appropriate  
10 application form, to the person previously allowed the exemption.

11 SECTION 3. EFFECTIVE DATE. This Act takes effect  
12 immediately if it receives a vote of two-thirds of all the members  
13 elected to each house, as provided by Section 39, Article III, Texas  
14 Constitution. If this Act does not receive the vote necessary for  
15 immediate effect, this Act takes effect September 1, 2013. The  
16 changes in law made by this Act apply to an application for an  
17 exemption from taxation under Section 11.31 of this chapter that is  
18 pending at the time of enactment of this Act.