

AN ACT

relating to the exemption from ad valorem taxation of pollution control property.

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

SECTION 1. Section 11.31, Tax Code, is amended by adding Subsection (e-1) to read as follows:

(e-1) The executive director shall issue a determination letter required by Subsection (d) to the person seeking the exemption, and the commission shall take final action on the initial appeal under Subsection (e) if an appeal is made, not later than the first anniversary of the date the executive director declares the application to be administratively complete.

SECTION 2. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.311 to read as follows:

Sec. 11.311. TEMPORARY EXEMPTION: LANDFILL-GENERATED GAS CONVERSION FACILITIES. (a) This section applies only to real and personal property that is used in the manner described by Subsection (b) on January 1, 2014.

(b) A person is entitled to an exemption from taxation of the real and personal property the person owns that is located on or in close proximity to a landfill and is used to:

(1) collect gas generated by the landfill;

(2) compress and transport the gas;

(3) process the gas so that it may be:

1           (A) delivered into a natural gas pipeline; or

2           (B) used as a transportation fuel in  
3 methane-powered on-road or off-road vehicles or equipment; and

4           (4) deliver the gas:

5           (A) into a natural gas pipeline; or

6           (B) to a methane fueling station.

7           (c) Property described by this section is considered to be  
8 property used as a facility, device, or method for the control of  
9 air, water, or land pollution.

10          (d) This section expires December 31, 2015.

11          SECTION 3. Section 42.43, Tax Code, is amended by adding  
12 Subsections (j) and (k) to read as follows:

13          (j) A property owner is not entitled to a refund under this  
14 section resulting from the final determination of an appeal of the  
15 denial of an exemption under Section 11.31, wholly or partly,  
16 unless the property owner is entitled to the refund under  
17 Subsection (a) or has entered into a written agreement with the  
18 chief appraiser that authorizes the refund as part of an agreement  
19 related to the taxation of the property pending a final  
20 determination by the Texas Commission on Environmental Quality  
21 under Section 11.31.

22          (k) Not later than the 10th day after the date a property  
23 owner and the chief appraiser enter into a written agreement  
24 described by Subsection (j), the chief appraiser shall provide to  
25 each taxing unit that taxes the property a copy of the agreement.  
26 The agreement is void if a taxing unit that taxes the property  
27 objects in writing to the agreement on or before the 60th day after

1 the date the taxing unit receives a copy of the agreement.

2 SECTION 4. Section 403.302(d), Government Code, is amended  
3 to read as follows:

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

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

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

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

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

19 (A) is within a reinvestment zone created on or  
20 before May 31, 1999, or is proposed to be included within the  
21 boundaries of a reinvestment zone as the boundaries of the zone and  
22 the proposed portion of tax increment paid into the tax increment  
23 fund by a school district are described in a written notification  
24 provided by the municipality or the board of directors of the zone  
25 to the governing bodies of the other taxing units in the manner  
26 provided by former Section 311.003(e), Tax Code, before May 31,  
27 1999, and within the boundaries of the zone as those boundaries

1 existed on September 1, 1999, including subsequent improvements to  
2 the property regardless of when made;

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

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

9 (5) the total dollar amount of any captured appraised  
10 value of property that:

11 (A) is within a reinvestment zone:

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

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

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

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

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

26 (7) the difference between the comptroller's estimate  
27 of the market value and the productivity value of land that

1 qualifies for appraisal on the basis of its productive capacity,  
2 except that the productivity value estimated by the comptroller may  
3 not exceed the fair market value of the land;

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

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

12 (A) action required by statute or the  
13 constitution of this state, other than Section 11.311, Tax Code,  
14 that, if the tax rate adopted by the district is applied to it,  
15 produces an amount equal to the difference between the tax that the  
16 district would have imposed on the property if the property were  
17 fully taxable at market value and the tax that the district is  
18 actually authorized to impose on the property, if this subsection  
19 does not otherwise require that portion to be deducted; or

20 (B) action taken by the district under Subchapter  
21 B or C, Chapter 313, Tax Code, before the expiration of the  
22 subchapter;

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

26 (11) the appraised value of property the collection of  
27 delinquent taxes on which is deferred under Section 33.06, Tax

1 Code;

2 (12) the portion of the appraised value of property  
3 the collection of delinquent taxes on which is deferred under  
4 Section 33.065, Tax Code; and

5 (13) the amount by which the market value of a  
6 residence homestead to which Section 23.23, Tax Code, applies  
7 exceeds the appraised value of that property as calculated under  
8 that section.

9 SECTION 5. The legislature finds that current unique market  
10 forces are a deterrent to landfill methane capture, and the limited  
11 exemption in Section 11.311, Tax Code, as added by this Act, will  
12 prevent the loss of facilities that help the state in reducing  
13 pollution. The legislature further finds that the addition of  
14 Section 11.311, Tax Code, is not an expression of legislative  
15 opinion regarding current rules adopted by the Texas Commission on  
16 Environmental Quality relating to the qualification of property for  
17 an exemption from taxation under Section 11.31, Tax Code.

18 SECTION 6. Not later than September 1, 2014, the Texas  
19 Commission on Environmental Quality shall adopt rules to implement  
20 Section 11.31(e-1), Tax Code, as added by this Act.

21 SECTION 7. Section 42.43(k), Tax Code, as added by this Act,  
22 applies only to an agreement between a property owner and a chief  
23 appraiser entered into on or after the effective date of this Act.

24 SECTION 8. Section 11.311, Tax Code, as added by this Act,  
25 applies only to ad valorem taxes imposed for a tax year beginning on  
26 or after January 1, 2014.

27 SECTION 9. This Act takes effect immediately if it receives

H.B. No. 1897

1 a vote of two-thirds of all the members elected to each house, as  
2 provided by Section 39, Article III, Texas Constitution. If this  
3 Act does not receive the vote necessary for immediate effect, this  
4 Act takes effect September 1, 2013.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 1897 was passed by the House on May 7, 2013, by the following vote: Yeas 101, Nays 41, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 1897 on May 23, 2013, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 1897 on May 26, 2013, by the following vote: Yeas 80, Nays 62, 2 present, not voting.

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Chief Clerk of the House



H.B. No. 1897

I certify that H.B. No. 1897 was passed by the Senate, with amendments, on May 21, 2013, by the following vote: Yeas 23, Nays 8; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 1897 on May 26, 2013, by the following vote: Yeas 23, Nays 8.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor