

By: Bohac, Strama, Button, Anchia

H.B. No. 2500

A BILL TO BE ENTITLED

AN ACT

relating to the appraisal for ad valorem tax purposes of solar energy property.

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

SECTION 1. Subchapter B, Chapter 23, Tax Code, is amended by adding Section 23.26 to read as follows:

Sec. 23.26. SOLAR ENERGY PROPERTY. (a) In this section, "solar energy property" means a "solar energy device" as defined by Section 11.27(c)(1) that is used for a commercial purpose, including a commercial storage device, power conditioning equipment, transfer equipment, and necessary parts for the device and equipment.

(b) This section applies only to solar energy property that is constructed or installed on or after January 1, 2014.

(c) The chief appraiser shall use the cost method of appraisal to determine the market value of solar energy property.

(d) To determine the market value of solar energy property using the cost method of appraisal, the chief appraiser shall:

(1) use cost data obtained from generally accepted sources;

(2) make any appropriate adjustment for physical, functional, or economic obsolescence and any other justifiable factor; and

(3) calculate the depreciated value of the property by

1 using a useful life that does not exceed 10 years.

2 (e) The chief appraiser may not in any tax year determine
3 the depreciated value under Subsection (d)(3) to be less than 20
4 percent of the value computed after making appropriate adjustments
5 under Subsection (d)(2) to the value determined under Subsection
6 (d)(1).

7 SECTION 2. This Act applies only to an ad valorem tax year
8 that begins on or after the effective date of this Act.

9 SECTION 3. This Act takes effect January 1, 2014.