

AN ACT

relating to the exemption from ad valorem taxation of energy storage systems used for the control of air pollution in a nonattainment area.

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

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.315 to read as follows:

Sec. 11.315. ENERGY STORAGE SYSTEM IN NONATTAINMENT AREA.

(a) In this section, "energy storage system" means a device capable of storing energy to be discharged at a later time, including a chemical, mechanical, or thermal storage device.

(b) A person is entitled to an exemption from taxation by a taxing unit of an energy storage system owned by the person if:

(1) the exemption is adopted by the governing body of the taxing unit in the manner provided by law for official action by the governing body; and

(2) the energy storage system:

(A) is used, constructed, acquired, or installed wholly or partly to meet or exceed 40 C.F.R. Section 50.11 or any other rules or regulations adopted by any environmental protection agency of the United States, this state, or a political subdivision of this state for the prevention, monitoring, control, or reduction of air pollution;

(B) is located in:

1 (i) an area designated as a nonattainment
2 area within the meaning of Section 107(d) of the federal Clean Air
3 Act (42 U.S.C. Section 7407); and

4 (ii) a municipality with a population of at
5 least 100,000 adjacent to a municipality with a population of more
6 than two million;

7 (C) has a capacity of at least 10 megawatts; and

8 (D) is installed on or after January 1, 2014.

9 (c) Once authorized, an exemption adopted under this
10 section may be repealed by the governing body of a taxing unit in
11 the manner provided by law for official action by the governing
12 body.

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

15 (c) An exemption provided by Section 11.13, 11.131, 11.17,
16 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22,
17 11.23(h), (j), or (j-1), 11.231, 11.254, 11.29, 11.30, [~~or~~] 11.31,
18 or 11.315, once allowed, need not be claimed in subsequent years,
19 and except as otherwise provided by Subsection (e), the exemption
20 applies to the property until it changes ownership or the person's
21 qualification for the exemption changes. However, the chief
22 appraiser may require a person allowed one of the exemptions in a
23 prior year to file a new application to confirm the person's current
24 qualification for the exemption by delivering a written notice that
25 a new application is required, accompanied by an appropriate
26 application form, to the person previously allowed the exemption.

27 SECTION 3. Section 26.012(6), Tax Code, is amended to read

1 as follows:

2 (6) "Current total value" means the total taxable
3 value of property listed on the appraisal roll for the current year,
4 including all appraisal roll supplements and corrections as of the
5 date of the calculation, less the taxable value of property
6 exempted for the current tax year for the first time under Section
7 11.31 or 11.315, except that:

8 (A) the current total value for a school district
9 excludes:

10 (i) the total value of homesteads that
11 qualify for a tax limitation as provided by Section 11.26; and

12 (ii) new property value of property that is
13 subject to an agreement entered into under Chapter 313; and

14 (B) the current total value for a county,
15 municipality, or junior college district excludes the total value
16 of homesteads that qualify for a tax limitation provided by Section
17 11.261.

18 SECTION 4. This Act applies only to ad valorem taxes imposed
19 for a tax year that begins on or after the effective date of this
20 Act.

21 SECTION 5. This Act takes effect January 1, 2014.

President of the Senate

Speaker of the House

I certify that H.B. No. 2712 was passed by the House on May 7, 2013, by the following vote: Yeas 89, Nays 38, 3 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2712 was passed by the Senate on May 21, 2013, by the following vote: Yeas 29, Nays 2.

Secretary of the Senate

APPROVED: _____

Date

Governor