

By: Hilderbran

H.B. No. 3387

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to an exemption from the sales tax for certified water  
3 conservation technologies, authorizing a fee.

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

5 SECTION 1. Section 151.355, Tax Code, is amended by adding  
6 subsection (8) as follows:

7 Sec. 151.355. WATER-RELATED EXEMPTIONS. The following are  
8 exempted from taxes imposed by this chapter:

9 (1) rainwater harvesting equipment or supplies, water  
10 recycling and reuse equipment or supplies, or other equipment,  
11 services, or supplies used solely to reduce or eliminate water use;

12 (2) equipment, services, or supplies used solely for  
13 desalination of surface water or groundwater;

14 (3) equipment, services, or supplies used solely for  
15 brush control designed to enhance the availability of water;

16 (4) equipment, services, or supplies used solely for  
17 precipitation enhancement;

18 (5) equipment, services, or supplies used solely to  
19 construct or operate a water or wastewater system certified by the  
20 Texas Commission on Environmental Quality as a regional system;

21 (6) equipment, services, or supplies used solely to  
22 construct or operate a water supply or wastewater system by a  
23 private entity as a public-private partnership as certified by the  
24 political subdivision that is a party to the project; and

1           (7) tangible personal property specifically used to  
2 process, reuse, or recycle wastewater that will be used in  
3 fracturing work performed at an oil or gas well.

4           (8) items used in technologies certified by the  
5 railroad commission pursuant to section 81.080, natural resources  
6 code, to reduce or eliminate fresh water usage in stimulating oil  
7 and gas production.

8           SECTION 2. Subsection 81.067(c), Natural Resources Code, is  
9 amended as follows:

10           (c) The fund consists of:

11           (1) proceeds from bonds and other financial security  
12 required by this chapter and benefits under well-specific plugging  
13 insurance policies described by Section 91.104(c) that are paid to  
14 the state as contingent beneficiary of the policies, subject to the  
15 refund provisions of Section 91.1091, if applicable;

16           (2) private contributions, including contributions  
17 made under Section 89.084;

18           (3) expenses collected under Section 89.083;

19           (4) fees imposed under Section 85.2021;

20           (5) costs recovered under Section 91.457 or 91.459;

21           (6) proceeds collected under Sections 89.085 and  
22 91.115;

23           (7) interest earned on the funds deposited in the  
24 fund;

25           (8) oil and gas waste hauler permit application fees  
26 collected under Section 29.015, Water Code;

27           (9) costs recovered under Section 91.113(f);

- 1           (10) hazardous oil and gas waste generation fees  
2 collected under Section 91.605;
- 3           (11) oil-field cleanup regulatory fees on oil  
4 collected under Section 81.116;
- 5           (12) oil-field cleanup regulatory fees on gas  
6 collected under Section 81.117;
- 7           (13) fees for a reissued certificate collected under  
8 Section 91.707;
- 9           (14) fees collected under Section 91.1013;
- 10          (15) fees collected under Section 89.088;
- 11          (16) fees collected under Section 91.142;
- 12          (17) fees collected under Section 91.654;
- 13          (18) costs recovered under Sections 91.656 and 91.657;
- 14          (19) two-thirds of the fees collected under Section  
15 81.0521;
- 16          (20) fees collected under Sections 89.024 and 89.026;
- 17          (21) legislative appropriations; ~~and~~
- 18          (22) any surcharges collected under Section 81.070-~~i~~;  
19 and
- 20          (23) fees collected under Section 81.080.

21           SECTION 3. Chapter 81, Natural Resources Code, is amended  
22 by adding Section 81.080 as follows:

23           Sec. 81.080. CERTIFICATION OF WATER CONSERVATION  
24 TECHNOLOGIES. The commission shall receive applications for and  
25 may certify technologies that demonstrably reduce or eliminate  
26 fresh water usage in stimulating oil and gas production. The  
27 commission shall publish and periodically update a list of approved

1 technologies on the agency website. The commission may impose a fee  
2 in an amount sufficient to cover the costs of administering this  
3 section.

4         SECTION 4. The change in law made by this Act does not  
5 affect tax liability accruing before the effective date of this  
6 Act. That liability continues in effect as if this Act had not been  
7 enacted, and the former law is continued in effect for the  
8 collection of taxes due and for civil and criminal enforcement of  
9 the liability for those taxes.

10         SECTION 5. This Act takes effect September 1, 2013.