

House Bill 1897
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 11.31(i), Tax Code, is amended to read as follows:

No equivalent provision.

(i) A person seeking an exemption under this section shall provide to the chief appraiser at the time an application for the exemption is filed in accordance with Section 11.43 a copy of the letter issued by the executive director of the Texas Commission on Environmental Quality under Subsection (d), or a copy of the final letter issued by the executive director under Subsection (e) if the determination is appealed under that subsection, determining that the facility, device, or method is used wholly or partly as pollution control property. The chief appraiser shall accept a final determination by the executive director as conclusive evidence that the facility, device, or method is used wholly or partly as pollution control property. Notwithstanding Section 41.41(a)(4), a property owner is not entitled to a remedy for the denial of an exemption for pollution control property, in whole or in part, and is not entitled to an exemption for any period that precedes the property owner's compliance with the requirements of this subsection.

SECTION 2. The changes in law made by this Act apply to

SENATE VERSION (IE)

(Unless otherwise indicated, all SECTIONS below are from FA1)

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 person submits the information required by Subsection (c).

No equivalent provision.

No equivalent provision.

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any determination under Section 11.31, Tax Code, that becomes final on or after the effective date of this Act. A determination that becomes final before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. The changes in law made by this Act do not permit a taxing unit to recover taxes not assessed and collected because of an exemption granted under Section 11.31, Tax Code, before the effective date of this Act.

No equivalent provision.

No equivalent provision.

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(Unless otherwise indicated, all SECTIONS below are from FA1)

No equivalent provision.

SECTION __. (a) The legislature finds that current rules adopted by the Texas Commission on Environmental Quality regarding qualification of property for exemption from taxation under Section 11.31, Tax Code, are consistent with the legislature's desire to exempt only property used, constructed, acquired, or installed wholly or partly to meet or exceed laws, rules, or regulations adopted by any environmental protection agency of the United States, Texas, or a political subdivision of Texas, for the prevention, monitoring, control, or reduction of air, water, or land pollution. The legislature further finds that current unique market forces are a deterrent to landfill methane capture, and the limited exemption set forth in this section will prevent the loss of facilities that help the state in reducing pollution. [FA2]

(b) Subchapter B, Chapter 11, Tax Code, is amended by

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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:
(A) delivered into a natural gas pipeline; or
(B) used as a transportation fuel in methane-powered on-road or off-road vehicles or equipment; and
(4) deliver the gas:
(A) into a natural gas pipeline; or
(B) to a methane fueling station.
(c) Property described by this section is considered to be property used as a facility, device, or method for the control of air, water, or land pollution.
(d) This section expires December 31, 2015. [FA2]

No equivalent provision.

(c) Section 403.302(d), Government Code, is amended to read as follows:
(d) For the purposes of this section, "taxable value" means the market value of all taxable property less:
(1) the total dollar amount of any residence homestead exemptions lawfully granted under Section 11.13(b) or (c), Tax Code, in the year that is the subject of the study for each school district;
(2) one-half of the total dollar amount of any residence

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homestead exemptions granted under Section 11.13(n), Tax Code, in the year that is the subject of the study for each school district;

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

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

(A) is within a reinvestment zone created on or before May 31, 1999, or is proposed to be included within the boundaries of a reinvestment zone as the boundaries of the zone and the proposed portion of tax increment paid into the tax increment fund by a school district are described in a written notification provided by the municipality or the board of directors of the zone to the governing bodies of the other taxing units in the manner provided by former Section 311.003(e), Tax Code, before May 31, 1999, and within the boundaries of the zone as those boundaries existed on September 1, 1999, including subsequent improvements to the property regardless of when made;

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

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

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

(A) is within a reinvestment zone:

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

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- (ii) the project plan for which includes the alteration, remodeling, repair, or reconstruction of a structure that is included on the National Register of Historic Places and requires that a portion of the tax increment of the zone be used for the improvement or construction of related facilities or for affordable housing;
- (B) generates school district taxes that are paid into a tax increment fund created under Chapter 311, Tax Code; and
- (C) is eligible for tax increment financing under Chapter 311, Tax Code;
- (6) the total dollar amount of any exemptions granted under Section 11.251 or 11.253, Tax Code;
- (7) the difference between the comptroller's estimate of the market value and the productivity value of land that qualifies for appraisal on the basis of its productive capacity, except that the productivity value estimated by the comptroller may not exceed the fair market value of the land;
- (8) the portion of the appraised value of residence homesteads of individuals who receive a tax limitation under Section 11.26, Tax Code, on which school district taxes are not imposed in the year that is the subject of the study, calculated as if the residence homesteads were appraised at the full value required by law;
- (9) a portion of the market value of property not otherwise fully taxable by the district at market value because of:
 - (A) action required by statute or the constitution of this state, other than Section 11.311, Tax Code, that, if the tax rate adopted by the district is applied to it, produces an amount equal to the difference between the tax that the district would have imposed on the property if the property were fully taxable at market value and the tax that the district is actually

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authorized to impose on the property, if this subsection does not otherwise require that portion to be deducted; or

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

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

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

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

(13) the amount by which the market value of a residence homestead to which Section 23.23, Tax Code, applies exceeds the appraised value of that property as calculated under that section. [FA2]

(d) This section applies only to ad valorem taxes imposed for a tax year beginning on or after the effective date of this section. [FA2]

(e) Notwithstanding any other provision of this Act, this section takes effect January 1, 2014. [FA2]

SECTION 2. Section 42.43, Tax Code, is amended by adding Subsections (j) and (k) to read as follows:

(j) A property owner is not entitled to a refund under this section resulting from the final determination of an appeal of

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No equivalent provision.

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the denial of an exemption under Section 11.31, wholly or partly, unless the property owner is entitled to the refund under Subsection (a) or has entered into a written agreement with the chief appraiser that authorizes the refund as part of an agreement related to the taxation of the property pending a final determination by the Texas Commission on Environmental Quality under Section 11.31.

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

No equivalent provision.

SECTION 3. Not later than September 1, 2014, the Texas Commission on Environmental Quality shall adopt rules to implement Section 11.31(e-1), Tax Code, as added by this Act.

No equivalent provision.

SECTION 4. Section 42.43(k), Tax Code, as added by this Act, applies only to an agreement between a property owner and a chief appraiser entered into on or after the effective date of this Act.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house,

SECTION 5. Same as House version.

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as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.