

BILL ANALYSIS

C.S.H.B. 2492
By: Darby
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that, according to experts, water conservation is the least expensive way to ensure an adequate water supply. The parties assert that water-efficient products save consumers money and reduce consumption rates for the state's valuable water resources, which are made ever more valuable due to ongoing drought conditions. The parties further note that there is currently an annual sales tax holiday for energy-efficient products intended to encourage consumers to replace inefficient home appliances and reduce energy consumption but that water-efficient products are not included in the holiday. C.S.H.B. 2492 seeks to encourage consumers to replace water-inefficient products and implement water saving technologies within their homes.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2492 amends the Tax Code to exempt the sale of a water-conserving product or a product that has been designated as a WaterSense certified product under the federal WaterSense program from the sales tax if the sale takes place during a period beginning at 12:01 a.m. on the Saturday preceding the last Monday in May and ending at 11:59 p.m. on the last Monday in May. The bill defines "water-conserving product" as tangible personal property that is used on private residential property and is not used for business or trade and that, when used or planted in an outdoor residential property, may result in water conservation or groundwater retention, water table recharge, or a decrease in ambient air temperature that limits water evaporation.

EFFECTIVE DATE

July 1, 2015, or, if the bill does not receive the necessary vote, October 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2492 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3335 to read as follows:

Sec. 151.3335. WATER-EFFICIENT PRODUCTS.

(a) In this section, "WaterSense product" means a product that has been designated as a WaterSense certified product under the WaterSense program operated by the United States Environmental Protection Agency, or a similar successor program.

(b) The sale of a WaterSense product is exempted from the taxes imposed by this chapter if the sale takes place during the period described by Section 151.333(c).

SECTION 2. This Act takes effect July 1, 2015, if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for effect on that date, this Act takes effect October 1, 2015.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3335 to read as follows:

Sec. 151.3335. WATER-EFFICIENT PRODUCTS. (a) In this section:

(1) "Water-conserving product":

(A) means tangible personal property that:

(i) is used on private residential property and is not used for business or trade; and

(ii) when used or planted in an outdoor residential property, may result in:

(a) water conservation or groundwater retention;

(b) water table recharge; or

(c) a decrease in ambient air temperature that limits water evaporation; and

(B) includes:

(i) a soaker or drip-irrigation hose;

(ii) a moisture control for a sprinkler or irrigation system;

(iii) mulch;

(iv) a rain barrel or an alternative rain and moisture collection system; and

(v) a permeable ground cover surface that allows water to reach underground basins, aquifers, or water collection points.

(2) "WaterSense product" means a product that has been designated as a WaterSense certified product under the WaterSense program operated by the United States Environmental Protection Agency, or a similar successor program.

(b) The sale of a water-conserving product or WaterSense product is exempted from the taxes imposed by this chapter if the sale takes place during the period described by Section 151.333(c).

SECTION 2. Same as introduced version.