

By: Smith

H.B. No. 4087

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the exemption from ad valorem taxation of pollution
3 control property.

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

5 SECTION 1. Section 11.31, Tax Code, is amended by amending
6 Subsection (k)(16) and (m) and adding Subsections (m-1) and (m-2)
7 to read as follows:

8 (16) if the United States Environmental Protection
9 Agency continues to regulate [~~adopts a final rule or regulation~~
10 ~~regulating~~] carbon dioxide as a pollutant or if any other
11 applicable environmental rule so regulates carbon dioxide,
12 property that is used, constructed, acquired, or installed wholly
13 or partly to capture carbon dioxide from an anthropogenic source in
14 this state that is geologically sequestered in this state;

15 (m) Notwithstanding the other provisions of this section,
16 if the executive director of the Texas Commission on Environmental
17 Quality confirms that the facility, device, or method for the
18 control of air, water, or land pollution described in an
19 application for an exemption under this section is a facility,
20 device, or method included on the list adopted under Subsection(k),
21 the executive director [~~of the Texas Commission on Environmental~~
22 ~~Quality~~], not later than the 30th day after the date of receipt of
23 the information required by Subsections (c)(2) and(3) and without
24 regard to whether the information required by Subsection (c)(1) has

1 been submitted, shall determine that the facility, device, or
2 method described in the application is used wholly or partly as a
3 facility, device, or method for the control of air, water, or land
4 pollution and shall take the actions that are required by
5 Subsection (d) in the event such a determination is made.

6 (m-1) Notwithstanding Section 11.31(g-1), if the executive
7 director confirms that the property described in an application is
8 a facility, device, or method referenced in Subsection (k)(16) and
9 is part of an advanced clean energy project as defined by Section
10 382.003 (1-a), Health and Safety Code, the executive director
11 shall determine that it is used wholly as a facility, device, or
12 method for the control of air, water, or land pollution and shall
13 take the actions that are required by Subsection (d).

14 (m-2) If the executive director confirms under Subsection
15 (m) or determines under Subsection (d) that the facility, device,
16 or method described in the application is used wholly or partly as a
17 facility, device, or method for the control of air, water, or land
18 pollution, it shall not limit the authority of the chief appraiser
19 under Chapter 23 to:

20 (1) evaluate whether the facility, device or method
21 also facilitates an increase in the production of goods at the
22 facility at which the facility, device, or method is installed or
23 the sale of a marketable product at a profit in the ordinary course
24 of business of the facility; and

25 (2) take any resulting income into account if the
26 chief appraiser uses the income method of appraisal to determine
27 the market value of the facility.

1 SECTION 2. This Act is intended to clarify rather than
2 change existing law, except 11.31 (m-1), as added by this act, which
3 applies only to ad valorem taxes imposed for a tax year beginning on
4 or after January 1, 2016.

5 SECTION 3. (a) Except as provided by Subsection (b) of this
6 section, this Act takes effect immediately if it receives a vote of
7 two-thirds of all the members elected to each house, as provided by
8 Section 39, Article III, Texas Constitution; and if this Act does
9 not receive the vote necessary for immediate effect, this Act takes
10 effect September 1, 2015.

11 (b) Section 11.31(m-2), Tax Code, as added by this Act,
12 takes effect January 1, 2016.