

BILL ANALYSIS

C.S.H.B. 445
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

According to interested parties, wind-powered energy devices that are installed too close to military aviation facilities can create adverse conditions that impede training and create safety risks for pilots. C.S.H.B. 445 seeks to address this issue by restricting certain property tax exemptions for land on which a wind-powered energy device is installed or constructed within a certain proximity of military aviation facilities.

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. 445 amends the Tax Code to prohibit an owner or lessee of a parcel of real property that is located wholly or partly in a reinvestment zone from receiving an exemption from property taxation of any portion of the value of the parcel of real property or of tangible personal property located on the parcel of real property under a tax abatement agreement under the Property Redevelopment and Tax Abatement Act that is entered into on or after September 1, 2017, including an agreement the approval of which is pending on that date, if, on or after that date, a wind-powered energy device is installed or constructed on the same parcel of real property at a location that is within 25 nautical miles of the boundaries of a military aviation facility located in Texas.

C.S.H.B. 445 also prohibits an owner of a parcel of land that is located wholly or partly in a reinvestment zone, a new building constructed on the parcel of land, a new improvement erected or affixed on the parcel of land, or tangible personal property placed in service in the building or improvement or on the parcel of land from receiving a limitation on appraised value for the parcel of land, building, improvement, or tangible personal property under a Texas Economic Development Act agreement that is entered into on or after September 1, 2017, including an agreement for the implementation of a limitation the application for which is pending on that date, if, on or after that date, a wind-powered energy device is installed or constructed on the same parcel of land at a location that is within 25 nautical miles of the boundaries of a military aviation facility located in Texas. The bill makes both its prohibitions applicable regardless of whether the wind-powered energy device is installed or constructed at a location that is in the reinvestment zone.

C.S.H.B. 445 defines "military aviation facility" as a base, station, fort, or camp at which fixed

wing aviation operations or training is conducted by the U.S. Air Force, the U.S. Air Force Reserve, the U.S. Army, the U.S. Army Reserve, the U.S. Navy, the U.S. Navy Reserve, the U.S. Marine Corps, the U.S. Marine Corps Reserve, the U.S. Coast Guard, the U.S. Coast Guard Reserve, or the Texas National Guard.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 445 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 A, Chapter 312, Tax Code, is amended by adding Section 312.0021 to read as follows:

Sec. 312.0021. PROHIBITION ON ABATEMENT OF TAXES ON CERTAIN PROPERTY NEAR MILITARY AVIATION FACILITY. (a) In this section:

(1) "Military aviation facility" means a base, station, fort, camp, auxiliary airfield, or range at which aviation operations or training is conducted by the United States Air Force, the United States Air Force Reserve, the United States Army, the United States Army Reserve, the United States Navy, the United States Navy Reserve, the United States Marine Corps, the United States Marine Corps Reserve, the United States Coast Guard, the United States Coast Guard Reserve, or the Texas National Guard.

(2) "Wind-powered energy device" has the meaning assigned by Section 11.27.

(b) Notwithstanding any other provision of this chapter, an owner or lessee of a parcel of real property that is located wholly or partly in a reinvestment zone may not receive an exemption from taxation of any portion of the value of the parcel of real property or of tangible personal property located on the parcel of real property under a tax abatement agreement under this chapter that is entered into on or after September 1, 2017, if, on or after September 1, 2017, a wind-powered energy device is installed or constructed on the same parcel of real property at a location that is within 30 nautical miles of the boundaries of a military aviation facility located in this state.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter A, Chapter 312, Tax Code, is amended by adding Section 312.0021 to read as follows:

Sec. 312.0021. PROHIBITION ON ABATEMENT OF TAXES ON CERTAIN PROPERTY NEAR MILITARY AVIATION FACILITY. (a) In this section:

(1) "Military aviation facility" means a base, station, fort, or camp at which fixed wing aviation operations or training is conducted by the United States Air Force, the United States Air Force Reserve, the United States Army, the United States Army Reserve, the United States Navy, the United States Navy Reserve, the United States Marine Corps, the United States Marine Corps Reserve, the United States Coast Guard, the United States Coast Guard Reserve, or the Texas National Guard.

(2) "Wind-powered energy device" has the meaning assigned by Section 11.27.

(b) Notwithstanding any other provision of this chapter, an owner or lessee of a parcel of real property that is located wholly or partly in a reinvestment zone may not receive an exemption from taxation of any portion of the value of the parcel of real property or of tangible personal property located on the parcel of real property under a tax abatement agreement under this chapter that is entered into on or after September 1, 2017, including an agreement the approval of which is pending on that date, if, on or after September 1, 2017, a wind-powered energy device is installed or constructed on the same parcel of real property at a location that is within 25

The prohibition provided by this section applies regardless of whether the wind-powered energy device is installed or constructed at a location that is in the reinvestment zone.

SECTION 2. Section 313.024, Tax Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) Notwithstanding any other provision of this subchapter, an owner of a parcel of land that is located wholly or partly in a reinvestment zone, a new building constructed on the parcel of land, a new improvement erected or affixed on the parcel of land, or tangible personal property placed in service in the building or improvement or on the parcel of land may not receive a limitation on appraised value under this subchapter for the parcel of land, building, improvement, or tangible personal property under an agreement under this subchapter that is entered into on or after September 1, 2017, if, on or after September 1, 2017, a wind-powered energy device is installed or constructed on the same parcel of land at a location that is within 30 nautical miles of the boundaries of a military aviation facility located in this state. The prohibition provided by this subsection applies regardless of whether the wind-powered energy device is installed or constructed at a location that is in the reinvestment zone.

SECTION 3. Section 313.024(e), Tax Code, is amended.

SECTION 4. Section 312.0021, Tax Code, as added by this Act, and Section 313.024, Tax Code, as amended by this Act, apply only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2018.

SECTION 5. This Act takes effect January 1, 2018.

nautical miles of the boundaries of a military aviation facility located in this state. The prohibition provided by this section applies regardless of whether the wind-powered energy device is installed or constructed at a location that is in the reinvestment zone.

SECTION 2. Section 313.024, Tax Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) Notwithstanding any other provision of this subchapter, an owner of a parcel of land that is located wholly or partly in a reinvestment zone, a new building constructed on the parcel of land, a new improvement erected or affixed on the parcel of land, or tangible personal property placed in service in the building or improvement or on the parcel of land may not receive a limitation on appraised value under this subchapter for the parcel of land, building, improvement, or tangible personal property under an agreement under this subchapter that is entered into on or after September 1, 2017, including an agreement for the implementation of a limitation the application for which is pending on that date, if, on or after September 1, 2017, a wind-powered energy device is installed or constructed on the same parcel of land at a location that is within 25 nautical miles of the boundaries of a military aviation facility located in this state. The prohibition provided by this subsection applies regardless of whether the wind-powered energy device is installed or constructed at a location that is in the reinvestment zone.

SECTION 3. Same as introduced version.

No equivalent provision.

SECTION 4. This Act takes effect September 1, 2017.