By: Perez H.B. No. 4012

A BILL TO BE ENTITLED

AN ACT

relating to the procedure for qualifying for the exemption from ad valorem taxation of pollution control property.

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

SECTION 1. Section 11.31, Tax Code, is amended by adding Subsections (o), (p), and (q) to read as follows:

(o) The Texas Commission on Environmental Quality shall adopt by rule a list of property that is used wholly as a facility, device, or method for the control of air, water, or land pollution. In adopting the list, the commission shall consider whether property previously determined by the executive director to be used wholly for the control of air, water, or land pollution continues to be used wholly for that purpose based on changes in the use of the property or changes in environmental regulations. The commission shall review the list at least once every five years. Section 11.43(c) applies to an exemption granted under this section for property included on a list adopted by the commission under this subsection. The fact that property is included on a list adopted by the commission under this subsection and that the executive director determined in a prior year that the property was used wholly as a facility, device, or method for the control of air, water, or land pollution does not preclude the chief appraiser from canceling the exemption if the chief appraiser determines that the facility, device, or method is no longer installed at the property

that is subject to the exemption or is no longer used wholly or partly for the purposes described by Subsection (b).

(p) An exemption under this section, other than an exemption for property included on a list adopted by the Texas Commission on Environmental Quality under Subsection (o), expires at the end of the fifth tax year after the year in which the executive director issues a letter under Subsection (d) stating the executive director's determination that the facility, device, or method is used wholly or partly to control pollution. To continue to receive an exemption under this section after that year, the person seeking to renew the exemption must file a new permit application or permit exemption request with the executive director under Subsection (c) and file a new application for the exemption with the chief appraiser. Notwithstanding Section 11.43(d), a permit application or permit exemption request under Subsection (c) of this section must be filed with the executive director and an application for an exemption must be filed with the chief appraiser not later than September 1 of the year in which the exemption expires. In addition to submitting the information required by Subsection (c), the person must provide proof that the facility, device, or method is still installed at the property that is subject to the exemption and is still used wholly or partly for the purposes described by Subsection (b). The exemption remains in effect until the executive director or the commission takes final action on the application. An exemption renewed under this subsection expires at the end of the fifth tax year after the year in which the executive director issues a letter under Subsection (d) stating the executive

director's determination that the facility, device, or method is used wholly or partly to control pollution.

(q) This subsection expires September 1, 2025. Notwithstanding the provisions of Subsection (p) relating to the date on which an exemption under this section expires:

(1) an exemption granted under this section before the 2000 tax year, other than an exemption for property included on a list adopted by the Texas Commission on Environmental Quality under Subsection (o), expires at the end of the 2020 tax year unless the person seeking to renew the exemption complies with Subsection (p) on or before September 1, 2020;

(2) an exemption granted under this section before the 2005 tax year but not before the 2000 tax year, other than an exemption for property included on a list adopted by the Texas Commission on Environmental Quality under Subsection (o), expires at the end of the 2021 tax year unless the person seeking to renew the exemption complies with Subsection (p) on or before September 1, 2021;

(3) an exemption granted under this section before the 2011 tax year but not before the 2005 tax year, other than an exemption for property included on a list adopted by the Texas Commission on Environmental Quality under Subsection (o), expires at the end of the 2022 tax year unless the person seeking to renew the exemption complies with Subsection (p) on or before September 1, 2022;

(4) an exemption granted under this section before the 2013 tax year but not before the 2011 tax year, other than an

exemption for property included on a list adopted by the Texas Commission on Environmental Quality under Subsection (o), expires at the end of the 2023 tax year unless the person seeking to renew the exemption complies with Subsection (p) on or before September 1, 2023; and

(5) an exemption granted under this section before the 2020 tax year but not before the 2013 tax year, other than an exemption for property included on a list adopted by the Texas Commission on Environmental Quality under Subsection (o), expires at the end of the 2024 tax year unless the person seeking to renew the exemption complies with Subsection (p) on or before September 1, 2024.

SECTION 2. Sections 11.43(b) and (c), Tax Code, are amended to read as follows:

(b) Except as provided by Subsection (c) and by Sections 11.184, 11.31, and 11.437, a person required to apply for an exemption must apply each year the person claims entitlement to the exemption.

(c) An exemption provided by Section 11.13, 11.131, 11.132, 11.133, 11.134, 11.17, 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22, 11.23(a), (h), (j), (j-1), or (m), 11.231, 11.254, 11.27, 11.271, 11.29, 11.30, [~~11.31,~~] or 11.315, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes. However, except as provided by Subsection (r), the chief appraiser may require a person allowed

one of the exemptions in a prior year to file a new application to confirm the person's current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person previously allowed the exemption. If the person previously allowed the exemption is 65 years of age or older, the chief appraiser may not cancel the exemption due to the person's failure to file the new application unless the chief appraiser complies with the requirements of Subsection (q), if applicable.

SECTION 3. This Act takes effect immediately 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 immediate effect, this Act takes effect September 1, 2019.