

By: Hall

S.B. No. 1610

A BILL TO BE ENTITLED

AN ACT

relating to decommissioning requirements for certain solar facilities.

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

SECTION 1. Subchapter A, Chapter 312, Tax Code, is amended by adding Section 312.0022 to read as follows:

Sec. 312.0022. LIMITATION ON ABATEMENT OF TAXES ON SOLAR FACILITY PROPERTY. (a) In this section, "solar facility" has the meaning assigned by Section 35.201, Utilities Code.

(b) The governing body of a taxing unit may not enter into an agreement under this chapter to exempt from taxation a portion of the value of real property on which a solar facility is located or is planned to be located during the term of the agreement, or of tangible personal property that is located or is planned to be located on the real property during that term, unless the owner of the property has, if required, executed an agreement under Section 35.202, Utilities Code, applicable to the property.

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

(b-2) In this subsection, "solar facility" has the meaning assigned by Section 35.201, Utilities Code. The owner of real property on which a solar facility is located or is planned to be located during the term of an agreement entered into under this subchapter, or of tangible personal property that is located or is

1 planned to be located on the real property during that term, may not
2 receive a limitation on appraised value under this subchapter
3 unless the owner has, if required, executed an agreement under
4 Section 35.202, Utilities Code, applicable to the property.

5 SECTION 3. Chapter 35, Utilities Code, is amended by adding
6 Subchapter F to read as follows:

7 SUBCHAPTER F. DECOMMISSIONING SOLAR FACILITIES

8 Sec. 35.201. DEFINITIONS. In this subchapter, "solar
9 facility" means a facility designed and used primarily for the
10 purpose of collecting, generating, transferring, or storing solar
11 energy. The term does not include a facility installed solely on a
12 building.

13 Sec. 35.202. DECOMMISSIONING SOLAR FACILITIES. (a) The
14 commission may not authorize a person who operates a solar facility
15 to interconnect the facility to the ERCOT transmission grid unless
16 the person demonstrates to the commission that the owner of the land
17 on which the facility is located has entered into an agreement with
18 the county in which the facility is located that provides that:

19 (1) the landowner is responsible for:

20 (A) decommissioning the solar facility,
21 including restoring, through soil stabilization and revegetation,
22 the first three feet of depth of the soil on any land disturbed by
23 the facility; or

24 (B) ensuring that the requirements of Paragraph
25 (A) are met; and

26 (2) the landowner will provide to the county financial
27 assurance in the form of certified funds, cash escrow, a bond, a

1 letter of credit, or a parent guarantee, payable to the county,
2 sufficient to cover the cost of the activities required by
3 Subdivision (1).

4 (b) The cost described by Subsection (a)(2) must be based on
5 an estimate of a qualified independent engineer, engaged by the
6 landowner and approved by the county, who has experience in
7 preparing decommissioning estimates. The estimate may not exceed
8 the sum of:

9 (1) the projected cost of decommissioning, including
10 accounting for the net salvage value of the solar facility and
11 associated equipment;

12 (2) a reasonable allowance for estimated
13 administrative costs related to a default of the operator; and

14 (3) an annual inflation factor.

15 (c) Notwithstanding Subsection (a), the commission may
16 authorize a person who operates a solar facility to interconnect a
17 facility to the ERCOT transmission grid without an agreement if the
18 county in which the facility is to be located waives the
19 requirements of this section.

20 SECTION 4. Section 312.0022, Tax Code, as added by this Act,
21 applies only to an agreement entered into under Chapter 312, Tax
22 Code, on or after the effective date of this Act.

23 SECTION 5. Section 313.024, Tax Code, as amended by this
24 Act, applies only to an agreement entered into under Chapter 313,
25 Tax Code, on or after the effective date of this Act.

26 SECTION 6. This Act takes effect September 1, 2019.