

By: Slaton

H.B. No. 2372

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.

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 planned to be located on the real property during that term, may not receive a limitation on appraised value.

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

3 SUBCHAPTER F. DECOMMISSIONING SOLAR FACILITIES

4 Sec. 35.201. DEFINITION. In this subchapter, "solar
5 facility" means a facility designed and used primarily for the
6 purpose of collecting, generating, transferring, or storing solar
7 energy. The term does not include a facility installed solely on a
8 building.

9 Sec. 35.202. DECOMMISSIONING SOLAR FACILITIES. (a) The
10 commission may not authorize a person who operates a solar facility
11 to interconnect the facility to the ERCOT transmission grid unless
12 the person demonstrates to the commission that the operator has
13 entered into an agreement with the county in which the facility is
14 located that provides that:

15 (1) the operator is responsible for:

16 (A) decommissioning the solar facility,
17 including restoring, through soil stabilization and revegetation,
18 the first three feet of depth of the soil on any land disturbed by
19 the facility; or

20 (B) ensuring that the requirements of Paragraph
21 (A) are met; and

22 (2) the operator will provide to the county financial
23 assurance in the form of certified funds, cash escrow, a bond, a
24 letter of credit, or a parent guarantee, payable to the county,
25 sufficient to cover the cost of the activities required by
26 Subdivision (1).

27 (b) The cost described by Subsection (a)(2) must be based on

1 an estimate of a qualified independent engineer, engaged by the
2 operator and approved by the county, who has experience in
3 preparing decommissioning estimates. The estimate may not exceed
4 the sum of:

5 (1) the projected cost of decommissioning, including
6 accounting for the net salvage value of the solar facility and
7 associated equipment;

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

10 (3) an annual inflation factor.

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

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

17 SECTION 6. This Act takes effect September 1, 2021.