

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**March 24, 2021**

**TO:** Honorable Brian Birdwell, Chair, Senate Committee on Natural Resources & Economic Development

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: SB1256** by Birdwell (Relating to the eligibility of certain property for an ad valorem tax abatement under the Property Redevelopment and Tax Abatement Act if certain renewable energy devices are installed or constructed on the property.), **As Introduced**

**No fiscal implication to the State is anticipated.**

The bill would amend Chapter 312 of the Tax Code to prohibit an ad valorem tax abatement for property on which certain renewable energy devices are installed or constructed. Implementing provisions of the bill would provide that the owner or lessee of a parcel of real property 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 thereon if a solar energy device or wind-powered energy device is installed or constructed on the same parcel.

The prohibition would apply for tax abatement agreements entered into on or after September 1, 2021, if the energy device is installed or constructed on or after that date.

**Local Government Impact**

According to the Comptroller's office, implementing the provisions of the bill could affect economic development in taxing entities that enter into tax abatement agreements with property owners who plan to install solar or wind-powered energy projects.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JMc, AJL, SD, BRI