By:  Landgraf H.B. No. 3355

A BILL TO BE ENTITLED

AN ACT

relating to exemption from taxation of facilities, devices, or methods used to control pollution.

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

SECTION 1.  Sections 11.31(b), (i), and (k), Tax Code, are amended to read as follows:

(b)  In this section, "facility, device, or method for the control of air, water, or land pollution" means land that is acquired after January 1, 1994, or any structure, building, installation, excavation, machinery, equipment, or device, other than a motor vehicle, and any attachment or addition to or reconstruction, replacement, or improvement of that property, that is:

(1)  used, constructed, acquired, or installed wholly or partly to meet or exceed rules or regulations adopted by any agency [~~environmental protection agency~~] of the United States, this state, or a political subdivision of this state for the prevention, monitoring, control, or reduction of air, water, or land pollution;

(2)  demonstrated to prevent, monitor, control, or reduce air, water or land pollution; or

(3)  used, constructed, acquired, or installed wholly or partly for the purpose of:

(A)  capturing, storing, sequestering, using, reusing, gathering or transporting carbon dioxide emissions to prevent carbon dioxide from entering the atmosphere; or

(B)  removing carbon dioxide from the atmosphere. [~~This section does not apply to a motor vehicle.~~]

(i)  A person seeking an exemption under this section shall provide to the chief appraiser a copy of the letter issued by the executive director of the Texas Commission on Environmental Quality under Subsection (d) determining that the facility, device, or method is used wholly or partly as pollution control property. The chief appraiser shall accept a final determination by the executive director as conclusive evidence that the facility, device, or method is used wholly or partly as pollution control property, and shall issue an appraisal that is no less than twenty-five percent of the cost of capital of the pollution control property.

(k)  The Texas Commission on Environmental Quality shall adopt rules establishing a nonexclusive list of facilities, devices, or methods for the control of air, water, or land pollution, which must include:

(1)  coal cleaning or refining facilities;

(2)  atmospheric or pressurized and bubbling or circulating fluidized bed combustion systems and gasification fluidized bed combustion combined cycle systems;

(3)  ultra-supercritical pulverized coal boilers;

(4)  flue gas recirculation components;

(5)  syngas purification systems and gas-cleanup units;

(6)  enhanced heat recovery systems;

(7)  exhaust heat recovery boilers;

(8)  heat recovery steam generators;

(9)  superheaters and evaporators;

(10)  enhanced steam turbine systems;

(11)  methanation;

(12)  coal combustion or gasification byproduct and coproduct handling, storage, or treatment facilities;

(13)  biomass cofiring storage, distribution, and firing systems;

(14)  coal cleaning or drying processes, such as coal drying/moisture reduction, air jigging, precombustion decarbonization, and coal flow balancing technology;

(15)  oxy-fuel combustion technology, amine or chilled ammonia scrubbing, fuel or emission conversion through the use of catalysts, enhanced scrubbing technology, modified combustion technology such as chemical looping, and cryogenic technology;

(16)  [~~if the United States Environmental Protection Agency adopts a final rule or regulation regulating carbon dioxide as a pollutant,~~] property that is used, constructed, acquired, or installed wholly or partly to capture carbon dioxide [~~from an anthropogenic source~~] in this state that is geologically sequestered or utilized in this state;

(17)  fuel cells generating electricity using hydrogen derived from coal, biomass, petroleum coke, or solid waste; and

(18)  any other equipment designed to prevent, capture, abate, or monitor nitrogen oxides, volatile organic compounds, particulate matter, mercury, carbon monoxide, or any criteria pollutant.

SECTION 2.  The changes in law made by this Act to Section 11.31(b), Tax Code, applies to facilities, devices, or methods for the control of air, water, or land pollution that are used for the purposes described in Section 11.31(b), Tax Code, on or after the effective date of this Act.

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, 2023.