

BILL ANALYSIS

Senate Research Center
89R1570 MLH-F

S.B. 1633
By: Campbell
Local Government
4/25/2025
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas faces a serious water scarcity issue, particularly in west and central Texas. The U.S. Drought Monitor and the 2022 Texas Water Plan have indicated the severity of the state's current drought. There is little financial incentive to encourage Texans to use water conservation systems, like rainwater harvesting and graywater reuse systems. There is precedent in the state's Tax Code that provides tax exemptions to encourage property owners to adopt practices for the greater good of the community.

S.B. 1633 seeks to provide this incentive by allowing county commissioners court to adopt a property tax exemption, applicable to the taxation of property by each taxing unit that levies a tax, for installing rainwater harvesting and greywater reuse systems. By offering county governments the option to offer this tax exemption, areas that suffer the most from droughts are able to encourage their residents to contribute to water conservation efforts and provide a benefit to those property owners during times of water shortages.

As proposed, S.B. 1633 amends current law relating to the authority of a county commissioners court to adopt an exemption from ad valorem taxation by each taxing unit that taxes the property of the portion of the appraised value of a person's property that is attributable to the installation in or on the property of certain water conservation systems.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 11, Tax Code, by adding Section 11.325, as follows:

Sec. 11.325. WATER CONSERVATION SYSTEMS. (a) Defines "graywater."

(b) Authorizes the commissioners court of a county by order to adopt an exemption from taxation of the portion of the appraised value of a person's property that is attributable to the installation in or on the property of a rainwater harvesting or graywater system. Provides that an exemption adopted by a commissioners court under this section applies to the taxation of property by each taxing unit that taxes the property.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2026, contingent upon approval by the voters of the constitutional amendment to authorize the commissioners court of a county to exempt from ad valorem taxation by each political subdivision that taxes the property the portion of the assessed value of a person's property that is attributable to the installation in or on the property of a rainwater harvesting or graywater system.