

By: \_\_\_\_\_ .B. No. \_\_\_\_\_

Substitute the following for \_\_\_\_B. No. \_\_\_\_:

By: \_\_\_\_\_ C.S.\_\_\_\_B. No. \_\_\_\_\_

A BILL TO BE ENTITLED

AN ACT

relating to the exemption from ad valorem taxation of energy storage systems used for the control of air pollution in a nonattainment area.

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

SECTION 1. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.315 to read as follows:

Sec. 11.315. ENERGY STORAGE SYSTEM IN NONATTAINMENT AREA.

(a) In this section, "energy storage system" means a device capable of storing energy to be discharged at a later time, including a chemical, mechanical, or thermal storage device.

(b) A person is entitled to an exemption from taxation by a taxing unit of an energy storage system owned by the person if:

(1) the exemption is adopted by the governing body of the taxing unit in the manner provided by law for official action by the governing body; and

(2) the energy storage system:

(A) is used, constructed, acquired, or installed wholly or partly to meet or exceed 40 C.F.R. Section 50.11 or any other rules or regulations adopted by any 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 pollution;

(B) is located in an area designated as a

1 nonattainment area within the meaning of Section 107(d) of the  
2 federal Clean Air Act (42 U.S.C. Section 7407);

3 (C) has a capacity of at least 10 megawatts; and

4 (D) is installed on or after January 1, 2014.

5 (c) Once authorized, an exemption adopted under this  
6 section may be repealed by the governing body of a taxing unit in  
7 the manner provided by law for official action by the governing  
8 body.

9 SECTION 2. Section 11.43(c), Tax Code, is amended to read as  
10 follows:

11 (c) An exemption provided by Section 11.13, 11.131, 11.17,  
12 11.18, 11.182, 11.1827, 11.183, 11.19, 11.20, 11.21, 11.22,  
13 11.23(h), (j), or (j-1), 11.231, 11.254, 11.29, 11.30, ~~or~~ 11.31,  
14 or 11.315, once allowed, need not be claimed in subsequent years,  
15 and except as otherwise provided by Subsection (e), the exemption  
16 applies to the property until it changes ownership or the person's  
17 qualification for the exemption changes. However, the chief  
18 appraiser may require a person allowed one of the exemptions in a  
19 prior year to file a new application to confirm the person's current  
20 qualification for the exemption by delivering a written notice that  
21 a new application is required, accompanied by an appropriate  
22 application form, to the person previously allowed the exemption.

23 SECTION 3. Section 26.012(6), Tax Code, is amended to read  
24 as follows:

25 (6) "Current total value" means the total taxable  
26 value of property listed on the appraisal roll for the current year,  
27 including all appraisal roll supplements and corrections as of the

1 date of the calculation, less the taxable value of property  
2 exempted for the current tax year for the first time under Section  
3 11.31 or 11.315, except that:

4 (A) the current total value for a school district  
5 excludes:

6 (i) the total value of homesteads that  
7 qualify for a tax limitation as provided by Section 11.26; and

8 (ii) new property value of property that is  
9 subject to an agreement entered into under Chapter 313; and

10 (B) the current total value for a county,  
11 municipality, or junior college district excludes the total value  
12 of homesteads that qualify for a tax limitation provided by Section  
13 11.261.

14 SECTION 4. Subchapter E, Chapter 42, Education Code, is  
15 amended by adding Section 42.2512 to read as follows:

16 Sec. 42.2512. ADDITIONAL STATE AID FOR EXEMPTION OF ENERGY  
17 STORAGE SYSTEMS. (a) Notwithstanding Section 42.2516 or any other  
18 provision of this chapter, a school district is entitled to  
19 additional state aid to the extent that state aid under this chapter  
20 based on the determination of the school district's taxable value  
21 of property as provided under Subchapter M, Chapter 403, Government  
22 Code, does not fully compensate the district for ad valorem tax  
23 revenue lost due to the exemption for energy storage systems under  
24 Section 11.315, Tax Code.

25 (b) The commissioner, using information provided by the  
26 comptroller, shall compute the amount of additional state aid to  
27 which a district is entitled under Subsection (a). A determination

1 by the commissioner under this section is final and may not be  
2 appealed.

3 (c) Notwithstanding any other provision of this chapter, in  
4 computing state aid for the 2014-2015 school year, the taxable  
5 value of property in a school district shall be determined under  
6 Subchapter M, Chapter 403, Government Code, as if the exemption for  
7 energy storage systems under Section 11.315, Tax Code, had been in  
8 effect for the 2013 tax year. This subsection expires September 1,  
9 2015.

10 SECTION 5. Section 403.302(d-1), Government Code, is  
11 amended to read as follows:

12 (d-1) For purposes of Subsection (d), a residence homestead  
13 that receives an exemption under Section 11.131, Tax Code, or an  
14 energy storage system that receives an exemption under Section  
15 11.315, Tax Code, in the year that is the subject of the study is not  
16 considered to be taxable property.

17 SECTION 6. This Act applies only to ad valorem taxes imposed  
18 for a tax year that begins on or after the effective date of this  
19 Act.

20 SECTION 7. This Act takes effect January 1, 2014.