AN ACT
relating to the exemption from ad valorem taxation of pollution control property.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 11.31, Tax Code, is amended by adding Subsection (e-1) to read as follows:

(e-1) The executive director shall issue a determination letter required by Subsection (d) to the person seeking the exemption, and the commission shall take final action on the initial appeal under Subsection (e) if an appeal is made, not later than the first anniversary of the date the executive director declares the application to be administratively complete.

SECTION 2. Subchapter B, Chapter 11, Tax Code, is amended by adding Section 11.311 to read as follows:

Sec. 11.311. TEMPORARY EXEMPTION: LANDFILL-GENERATED GAS CONVERSION FACILITIES. (a) This section applies only to real and personal property that is used in the manner described by Subsection (b) on January 1, 2014.

(b) A person is entitled to an exemption from taxation of the real and personal property the person owns that is located on or in close proximity to a landfill and is used to:

(1) collect gas generated by the landfill;
(2) compress and transport the gas;
(3) process the gas so that it may be:
   (A) delivered into a natural gas pipeline; or
   (B) used as a transportation fuel in methane-powered on-road or off-road vehicles or equipment; and
(4) deliver the gas:
   (A) into a natural gas pipeline; or
   (B) to a methane fueling station.

(c) Property described by this section is considered to be property used as a facility, device, or method for the control of air, water, or land pollution.

(d) This section expires December 31, 2015.

SECTION 3. Section 42.43, Tax Code, is amended by adding Subsections (j) and (k) to read as follows:

(j) A property owner is not entitled to a refund under this section resulting from the final determination of an appeal of the denial of an exemption under Section 11.31, wholly or partly, unless the property owner is entitled to the refund under Subsection (a) or has entered into a written agreement with the chief appraiser that authorizes the refund as part of an agreement related to the taxation of the property pending a final determination by the Texas Commission on Environmental Quality under Section 11.31.

(k) Not later than the 10th day after the date a property owner and the chief appraiser enter into a written agreement described by Subsection (j), the chief appraiser shall provide to each taxing unit that taxes the property a copy of the agreement. The agreement is void if
a taxing unit that taxes the property objects in writing to the agreement on or before the 60th
day after the date the taxing unit receives a copy of the agreement.

SECTION 4. Section 403.302(d), Government Code, is amended to read as follows:
(d) For the purposes of this section, “taxable value” means the market value of all taxable
property less:
(1) the total dollar amount of any residence homestead exemptions lawfully granted
under Section 11.13(b) or (c), Tax Code, in the year that is the subject of the study for each
school district;
(2) one-half of the total dollar amount of any residence homestead exemptions granted
under Section 11.13(n), Tax Code, in the year that is the subject of the study for each
school district;
(3) the total dollar amount of any exemptions granted before May 31, 1993, within a
reinvestment zone under agreements authorized by Chapter 312, Tax Code;
(4) subject to Subsection (e), the total dollar amount of any captured appraised value of
property that:
(A) is within a reinvestment zone created on or before May 31, 1999, or is proposed to
be included within the boundaries of a reinvestment zone as the boundaries of the zone
and the proposed portion of tax increment paid into the tax increment fund by a school
district are described in a written notification provided by the municipality or the board
of directors of the zone to the governing bodies of the other taxing units in the manner
provided by former Section 311.003(e), Tax Code, before May 31, 1999, and within the
boundaries of the zone as those boundaries existed on September 1, 1999, including
subsequent improvements to the property regardless of when made;
(B) generates taxes paid into a tax increment fund created under Chapter 311, Tax
Code, under a reinvestment zone financing plan approved under Section 311.011(d), Tax
Code, on or before September 1, 1999; and
(C) is eligible for tax increment financing under Chapter 311, Tax Code;
(5) the total dollar amount of any captured appraised value of property that:
(A) is within a reinvestment zone:
(i) created on or before December 31, 2008, by a municipality with a population of
less than 18,000; and
(ii) the project plan for which includes the alteration, remodeling, repair, or recon-
struction of a structure that is included on the National Register of Historic Places and
requires that a portion of the tax increment of the zone be used for the improvement
or construction of related facilities or for affordable housing;
(B) generates school district taxes that are paid into a tax increment fund created
under Chapter 311, Tax Code; and
(C) is eligible for tax increment financing under Chapter 311, Tax Code;
(6) the total dollar amount of any exemptions granted under Section 11.251 or 11.253,
Tax Code;
(7) the difference between the comptroller’s estimate of the market value and the
productivity value of land that qualifies for appraisal on the basis of its productive capacity,
except that the productivity value estimated by the comptroller may not exceed the fair
market value of the land;
(8) the portion of the appraised value of residence homesteads of individuals who receive
a tax limitation under Section 11.26, Tax Code, on which school district taxes are not
imposed in the year that is the subject of the study, calculated as if the residence
homesteads were appraised at the full value required by law;
(9) a portion of the market value of property not otherwise fully taxable by the district at
market value because of:
(A) action required by statute or the constitution of this state, other than Section
11.311, Tax Code, that, if the tax rate adopted by the district is applied to it, produces an
amount equal to the difference between the tax that the district would have imposed on
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the property if the property were fully taxable at market value and the tax that the
district is actually authorized to impose on the property, if this subsection does not
otherwise require that portion to be deducted; or

(B) action taken by the district under Subchapter B or C, Chapter 313, Tax Code,
before the expiration of the subchapter;

(10) the market value of all tangible personal property, other than manufactured homes,
owned by a family or individual and not held or used for the production of income;

(11) the appraised value of property the collection of delinquent taxes on which is
deferred under Section 33.06, Tax Code;

(12) the portion of the appraised value of property the collection of delinquent taxes on
which is deferred under Section 33.065, Tax Code; and

(13) the amount by which the market value of a residence homestead to which Section
23.23, Tax Code, applies exceeds the appraised value of that property as calculated under
that section.

SECTION 5. The legislature finds that current unique market forces are a deterrent to
landfill methane capture, and the limited exemption in Section 11.311, Tax Code, as added by
this Act, will prevent the loss of facilities that help the state in reducing pollution. The
legislature further finds that the addition of Section 11.311, Tax Code, is not an expression of
legislative opinion regarding current rules adopted by the Texas Commission on Environmen-
tal Quality relating to the qualification of property for an exemption from taxation under
Section 11.31, Tax Code.

SECTION 6. Not later than September 1, 2014, the Texas Commission on Environmental
Quality shall adopt rules to implement Section 11.31(e-1), Tax Code, as added by this Act.

SECTION 7. Section 42.43(k), Tax Code, as added by this Act, applies only to an
agreement between a property owner and a chief appraiser entered into on or after the
effective date of this Act.

SECTION 8. Section 11.311, Tax Code, as added by this Act, applies only to ad valorem
taxes imposed for a tax year beginning on or after January 1, 2014.

SECTION 9. 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, 2013.

Passed by the House on May 7, 2013: Yeas 101, Nays 41, 2 present, not voting; that the
House refused to concur in Senate amendments to H.B. No. 1897 on May 23, 2013,
and requested the appointment of a conference committee to consider the differ-
ences between the two houses; the House adopted the conference committee
report on H.B. No. 1897 on May 26, 2013: Yeas 80, Nays 62, 2 present, not voting;
passed by the Senate, with amendments, on May 21, 2013: Yeas 23, Nays 8; at the
request of the House, the Senate appointed a conference committee to consider the
differences between the two houses; the Senate adopted the conference committee

Approved June 14, 2013.
Effective September 1, 2013.

CHAPTER 965
H.B. No. 1903

AN ACT
relating to the allocation of amounts deposited into the oyster sales account and the abolishment of the
oyster advisory committee.

Be it enacted by the Legislature of the State of Texas:
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