

BILL ANALYSIS

Senate Research Center
84R3222 LEH-F

H.B. 706
By: Farrar (Huffman)
Finance
5/8/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This bill would simplify the application process for a property tax exemption related to a solar or wind-powered device. Texas law provides for a property tax exemption on the appraised value arising from the installation or construction of a solar or wind-powered energy device for on-site generation. Currently, property owners must file for an exemption with the appraisal district each year, which can be burdensome on both the property owner and the appraisal district. This bill would change the procedure so that once the exemption is allowed, it does not need to be claimed again. Under that procedure, the exemption would continue to apply to the property until ownership changes or the person's qualification changes. Also, an appraiser could require a person to file a new application in subsequent years. This process is the same one used to apply for the residence homestead exemption, among 22 other exemptions. H.B. 706 seeks to remove barriers for property owners to utilize alternative energy methods, and increase efficiency in procedures at county appraisal offices.

H.B. 706 amends current law relating to the procedure for claiming an exemption from ad valorem taxation of property on which a solar or wind-powered energy device is installed or constructed.

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 Section 11.43(c), Tax Code, to include Section 11.27 (Solar and Wind-Powered Energy Devices) among the list of exemptions that, once allowed, need not be claimed in subsequent years, and except as otherwise provided by Subsection (e) (prohibiting a person from receiving a certain exemption under certain circumstances), the exemption applies to the property until it changes ownership or the person's qualification for the exemption changes.

SECTION 2. Provides that this Act applies only to a tax year beginning on or after the effective date of this Act.

SECTION 3. Effective date: January 1, 2016.