

## **BILL ANALYSIS**

Senate Research Center  
87R10937 LHC-D

S.B. 1256  
By: Birdwell  
Natural Resources & Economic Development  
3/22/2021  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

It has been suggested that the Property Redevelopment and Tax Abatement Act, which provides certain taxing units with the ability to provide tax abatement agreements to property owners, is in need of revision to improve the act and prohibit solar and wind powered energy devices from taking advantage of the tax abatement.

S.B. 1256 would amend current law prohibiting an owner or lessee of a property that is located in a reinvestment zone from receiving an exemption from taxation of any portion of the value of the property if a solar energy device or wind-powered energy device is installed or constructed on the same property. This bill only affects agreements entered into on or after September 1, 2021.

As proposed, S.B. 1256 amends current law relating to the eligibility of certain property for an ad valorem tax abatement under the Property Redevelopment and Tax Abatement Act if certain renewable energy devices are installed or constructed on the property.

### **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 A, Chapter 312, Tax Code, by adding Section 312.0022, as follows:

Sec. 312.0022. PROHIBITION ON ABATEMENT OF TAXES ON PROPERTY WITH CERTAIN RENEWABLE ENERGY DEVICES INSTALLED OR CONSTRUCTED.  
(a) Defines "solar energy device" and "wind-powered energy device."

(b) Prohibits an owner or lessee of a parcel of real property that is located wholly or partly in a reinvestment zone, notwithstanding any other provision of Chapter 312 (Property Redevelopment and Tax Abatement Act), from receiving an exemption from taxation of any portion of the value of the parcel of real property or of tangible personal property located on the parcel of real property under a tax abatement agreement under Chapter 312 that is entered into on or after September 1, 2021, if, on or after that date, a solar energy device or wind-powered energy device is installed or constructed on the same parcel of real property. Provides that the prohibition provided by this section applies regardless of whether the solar energy device or wind-powered energy device is installed or constructed at a location that is in the reinvestment zone.

SECTION 2. Effective date: September 1, 2021.