

BILL ANALYSIS

Senate Research Center

S.B. 277
By: Campbell
Veteran Affairs & Border Security
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Military Preparedness Commission has found that military installations in Texas generate \$136 billion in economic activity each year and contribute almost 900,000 jobs both directly and indirectly to our state. However, if these installations do not successfully fulfill their missions, the United States (U.S.) Department of Defense is more likely to relocate those activities, which will negatively impact our state's economy and the communities around our bases.

Military experts have noted that encroaching wind farms around military bases can create adverse conditions that impede operations and create safety risks for pilots and related personnel. Because of their enormous size, wind turbines can also cause interference with radar systems. Moreover, the height and location also affect the altitude of flights and the abilities for training missions to meet their flight goals. This poses a serious threat to mission readiness at the state's military aviation installations, increasing the likelihood for base reductions and/or closures by the U.S. Department of Defense through the Base Closure and Realignment (BRAC) Commission.

S.B. 277 protects the long-term viability of Texas bases to carry out their missions by prohibiting Chapter 313 tax subsidies and abatements for wind energy projects within 30 nautical miles of the boundaries of military aviation facilities. The bill prevents taxpayer dollars from being used to subsidize structures that could ultimately have a serious negative impact on the state's economy and threaten the very existence of active military bases and the support they provide local communities.

S.B. 277 amends current law relating to the eligibility of certain property for certain ad valorem tax incentives relating to wind-powered energy devices.

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. (a) Sets forth legislative findings.

(b) Sets forth legislative purposes.

(c) Prohibits this Act from being construed as limiting the ability of a person to receive a tax benefit under Chapter 312 (Property Redevelopment and Tax Abatement Act) or 313 (Texas Economic Development Act), Tax Code, for property that the person owns and on which a wind-powered energy device is installed or constructed other than under the conditions relating to the proximity of that property to a military aviation facility as expressly provided by this Act.

SECTION 2. Amends Subchapter A, Chapter 312, Tax Code, by adding Section 312.0021, as follows:

Sec. 312.0021. PROHIBITION ON ABATEMENT OF TAXES ON CERTAIN PROPERTY NEAR MILITARY AVIATION FACILITY. (a) Defines "military aviation facility" 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 this chapter, 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 that is entered into on or after September 1, 2017, if, on or after that date, a wind-powered energy device is installed or constructed on the same parcel of real property at a location within 25 nautical miles of the boundaries of a military aviation facility located in this state. Provides that this prohibition applies regardless of whether the wind-powered energy device is installed or constructed at a location that is in the reinvestment zone.

(c) Provides that the prohibition provided by this section does not apply if the wind-powered energy device is installed or constructed as part of an expansion or repowering of an existing project.

SECTION 3. Amends Section 313.024, Tax Code, by adding Subsection (b-1), as follows:

(b-1) Prohibits an owner of a parcel of land that is located wholly or partly in a reinvestment zone or certain structures on the parcel of land, notwithstanding any other provision of this subchapter (Limitation on Appraised Value of Certain Property Used to Create Jobs), from receiving a limitation on appraised value for the parcel of land, building, improvements, or tangible personal property under an agreement that is entered into on or after September 1, 2017, if, on or after that date, a wind-powered energy device is installed or constructed on the same parcel of land at a location within 25 nautical miles of the boundaries of a military aviation facility located in this state. Provides that this prohibition applies regardless of whether the wind-powered energy device is installed or constructed at a location that is in the reinvestment zone.

SECTION 4. Amends Section 313.024(e), Tax Code, by adding Subdivisions (8) and (9), to define "military aviation facility" and "wind-powered energy device."

SECTION 5. Provides that, notwithstanding Sections 312.0021 and 313.024(b-1), Tax Code, as added by this Act, the change in law made by this Act does not apply to a tax abatement agreement under Chapter 312, Tax Code, or an application for a limitation on appraised value under Chapter 313, Tax Code, the approval of which is pending on the effective date of this Act.

SECTION 6. Effective date: September 1, 2017.