

## **BILL ANALYSIS**

C.S.S.B. 277  
By: Campbell  
Ways & Means  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

According to interested parties, wind-powered energy devices that are installed too close to military aviation facilities can create adverse conditions that impede training and create safety risks for pilots. C.S.S.B. 277 seeks to address this issue by restricting certain property tax exemptions for land on which a wind-powered energy device is installed or constructed within a certain proximity of a military aviation facility.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.S.B. 277 amends the Tax Code to prohibit an owner or lessee of a parcel of real property that is located wholly or partly in a reinvestment zone from receiving an exemption from property 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 the Property Redevelopment and Tax Abatement Act that is entered into on or after September 1, 2017, including an agreement the approval of which is pending on that date, 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 that is within 25 nautical miles of the boundaries of a military aviation facility located in Texas.

C.S.S.B. 277 also prohibits an owner of a parcel of land that is located wholly or partly in a reinvestment zone, a new building constructed on the parcel of land, a new improvement erected or affixed on the parcel of land, or tangible personal property placed in service in the building or improvement or on the parcel of land from receiving a limitation on appraised value for the parcel of land, building, improvement, or tangible personal property under a Texas Economic Development Act agreement that is entered into on or after September 1, 2017, including an agreement for the implementation of a limitation the application for which is pending on that date, if, on or after that date, a wind-powered energy device is installed or constructed on the same parcel of land at a location that is within 25 nautical miles of the boundaries of a military aviation facility located in Texas. The bill makes both its prohibitions applicable regardless of whether the wind-powered energy device is installed or constructed at a location that is in the reinvestment zone.

C.S.S.B. 277 defines "military aviation facility" as a base, station, fort, or camp at which fixed

wing aviation operations or training is conducted by the U.S. Air Force, the U.S. Air Force Reserve, the U.S. Army, the U.S. Army Reserve, the U.S. Navy, the U.S. Navy Reserve, the U.S. Marine Corps, the U.S. Marine Corps Reserve, the U.S. Coast Guard, the U.S. Coast Guard Reserve, or the Texas National Guard.

**EFFECTIVE DATE**

September 1, 2017.

**COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE**

While C.S.S.B. 277 may differ from the engrossed in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the engrossed and committee substitute versions of the bill.

**SENATE ENGROSSED**

**HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. (a) The legislature finds that:  
(1) the Texas Military Preparedness Commission has found that military installations located in this state generate \$136 billion in economic activity each year and directly or indirectly contribute to the existence of almost 900,000 jobs;  
(2) military aviation facilities in this state are of vital importance to the security of this state and the nation and are an integral part of this state's economy;  
(3) the area surrounding a military aviation facility is sensitive to security concerns and requires special attention by this state;  
(4) wind-powered energy devices and wind energy are important components of this state's production of electricity; and  
(5) the United States Department of Defense uses the base realignment and closure process to reorganize the department's base structure and has used the process to close more than 350 military bases since 1988.  
(b) This Act is for the purposes of:  
(1) promoting the public health, safety, and general welfare of this state;  
(2) protecting and preserving military aviation facilities, the areas surrounding those facilities, and the aviation operations or training conducted at those facilities from any unintended consequences occurring as a result of the installation or construction of wind-powered energy devices on property located in close proximity to the boundaries of those facilities;  
(3) encouraging the development of wind farms and the installation or construction of wind-powered energy devices in this state under reasonable state regulations that

**No equivalent provision.**

recognize the importance of wind energy and take into account the need to support and protect military aviation facilities located in this state from the United States Department of Defense's base realignment and closure process;

(4) ensuring that an owner of property on which wind-powered energy devices were constructed, or were under construction, before September 1, 2017, and that is located in close proximity to the boundaries of a military aviation facility continues to be eligible to receive tax benefits under Chapter 312 or 313, Tax Code; and

(5) allowing an owner of property located in close proximity to the boundaries of a military aviation facility to continue to allow the installation or construction of wind-powered energy devices on that property in the event the owner elects not to seek tax benefits for that property under Chapter 312 or 313, Tax Code.

(c) This Act may not be construed as limiting the ability of a person to receive a tax benefit under Chapter 312 or 313, 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. Subchapter A, Chapter 312, Tax Code, is amended by adding Section 312.0021 to read as follows:

Sec. 312.0021. PROHIBITION ON ABATEMENT OF TAXES ON CERTAIN PROPERTY NEAR MILITARY AVIATION FACILITY. (a) In this section:

(1) "Military aviation facility" means a base, station, fort, or camp at which fixed-wing aviation operations or training is conducted by the United States Air Force, the United States Air Force Reserve, the United States Army, the United States Army Reserve, the United States Navy, the United States Navy Reserve, the United States Marine Corps, the United States Marine Corps Reserve, the United States Coast Guard, the United States Coast Guard Reserve, or the Texas National Guard.

(2) "Wind-powered energy device" has the meaning assigned by Section 11.27.

(b) Notwithstanding any other provision of this chapter, an owner or lessee of a parcel

SECTION 1. Subchapter A, Chapter 312, Tax Code, is amended by adding Section 312.0021 to read as follows:

Sec. 312.0021. PROHIBITION ON ABATEMENT OF TAXES ON CERTAIN PROPERTY NEAR MILITARY AVIATION FACILITY. (a) In this section:

(1) "Military aviation facility" means a base, station, fort, or camp at which fixed wing aviation operations or training is conducted by the United States Air Force, the United States Air Force Reserve, the United States Army, the United States Army Reserve, the United States Navy, the United States Navy Reserve, the United States Marine Corps, the United States Marine Corps Reserve, the United States Coast Guard, the United States Coast Guard Reserve, or the Texas National Guard.

(2) "Wind-powered energy device" has the meaning assigned by Section 11.27.

(b) Notwithstanding any other provision of this chapter, an owner or lessee of a parcel

of real property that is located wholly or partly in a reinvestment zone may not receive 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 this chapter that is entered into on or after September 1, 2017, if, on or after September 1, 2017, a wind-powered energy device is installed or constructed on the same parcel of real property at a location that is within 25 nautical miles of the boundaries of a military aviation facility located in this state. The prohibition provided by this section applies regardless of whether the wind-powered energy device is installed or constructed at a location that is in the reinvestment zone.

SECTION 3. Section 313.024, Tax Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) Notwithstanding any other provision of this subchapter, an owner of a parcel of land that is located wholly or partly in a reinvestment zone, a new building constructed on the parcel of land, a new improvement erected or affixed on the parcel of land, or tangible personal property placed in service in the building or improvement or on the parcel of land may not receive a limitation on appraised value under this subchapter for the parcel of land, building, improvement, or tangible personal property under an agreement under this subchapter that is entered into on or after September 1, 2017, if, on or after September 1, 2017, a wind-powered energy device is installed or constructed on the same parcel of land at a location that is within 25 nautical miles of the boundaries of a military aviation facility located in this state. The prohibition provided by this subsection applies regardless of whether the wind-powered energy device is installed or constructed at a location that is in the reinvestment zone.

SECTION 4. Section 313.024(e), Tax Code, is amended by adding Subdivisions (8) and

of real property that is located wholly or partly in a reinvestment zone may not receive 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 this chapter that is entered into on or after September 1, 2017, including an agreement the approval of which is pending on that date, if, on or after September 1, 2017, a wind-powered energy device is installed or constructed on the same parcel of real property at a location that is within 25 nautical miles of the boundaries of a military aviation facility located in this state. The prohibition provided by this section applies regardless of whether the wind-powered energy device is installed or constructed at a location that is in the reinvestment zone.

SECTION 2. Section 313.024, Tax Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) Notwithstanding any other provision of this subchapter, an owner of a parcel of land that is located wholly or partly in a reinvestment zone, a new building constructed on the parcel of land, a new improvement erected or affixed on the parcel of land, or tangible personal property placed in service in the building or improvement or on the parcel of land may not receive a limitation on appraised value under this subchapter for the parcel of land, building, improvement, or tangible personal property under an agreement under this subchapter that is entered into on or after September 1, 2017, including an agreement for the implementation of a limitation the application for which is pending on that date, if, on or after September 1, 2017, a wind-powered energy device is installed or constructed on the same parcel of land at a location that is within 25 nautical miles of the boundaries of a military aviation facility located in this state. The prohibition provided by this subsection applies regardless of whether the wind-powered energy device is installed or constructed at a location that is in the reinvestment zone.

SECTION 3. Same as engrossed version.

(9) to read as follows:

(8) "Military aviation facility" has the meaning assigned by Section 312.0021.

(9) "Wind-powered energy device" has the meaning assigned by Section 11.27.

SECTION 5. Section 312.0021, Tax Code, as added by this Act, and Section 313.024, Tax Code, as amended by this Act, apply only to ad valorem taxes imposed for a tax year beginning on or after January 1, 2018.

SECTION 6. This Act takes effect **January 1, 2018.**

**No equivalent provision.**

SECTION 4. This Act takes effect **September 1, 2017.**