

1-1 By: Birdwell S.B. No. 1754
1-2 (In the Senate - Filed February 28, 2025; March 13, 2025,
1-3 read first time and referred to Committee on Economic Development;
1-4 April 16, 2025, reported favorably by the following vote: Yeas 3,
1-5 Nays 1; April 16, 2025, sent to printer.)

1-6	COMMITTEE VOTE				
1-7		Yea	Nay	Absent	PNV
1-8	King	X			
1-9	Sparks	X			
1-10	Alvarado			X	
1-11	Johnson		X		
1-12	Schwertner	X			

1-13 A BILL TO BE ENTITLED
1-14 AN ACT

1-15 relating to the authority of a taxing unit to enter into an
1-16 agreement to exempt from ad valorem taxation a portion of the value
1-17 of property on which a renewable energy facility is located or is
1-18 planned to be located.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-20 SECTION 1. Chapter 380, Local Government Code, is amended
1-21 by adding Section 380.005 to read as follows:

1-22 Sec. 380.005. PROHIBITION ON ABATEMENT OF TAXES ON CERTAIN
1-23 RENEWABLE ENERGY FACILITY PROPERTY. (a) In this section,
1-24 "renewable energy facility" has the meaning assigned by Section
1-25 312.0022, Tax Code.

1-26 (b) This section applies only to a renewable energy facility
1-27 that sells energy or ancillary services at wholesale for a power
1-28 grid.

1-29 (c) The governing body of a municipality may not enter into
1-30 an agreement authorized by this chapter to exempt from ad valorem
1-31 taxation a portion of the value of real property on which a
1-32 renewable energy facility is located or is planned to be located
1-33 during the term of the agreement, or of tangible personal property
1-34 that is located or is planned to be located on the real property
1-35 during that term.

1-36 SECTION 2. Chapter 381, Local Government Code, is amended
1-37 by adding Section 381.006 to read as follows:

1-38 Sec. 381.006. PROHIBITION ON ABATEMENT OF TAXES ON CERTAIN
1-39 RENEWABLE ENERGY FACILITY PROPERTY. (a) In this section,
1-40 "renewable energy facility" has the meaning assigned by Section
1-41 312.0022, Tax Code.

1-42 (b) This section applies only to a renewable energy facility
1-43 that sells energy or ancillary services at wholesale for a power
1-44 grid.

1-45 (c) A county, county industrial commission, or development
1-46 board may not enter into an agreement authorized by this chapter to
1-47 exempt from ad valorem taxation a portion of the value of real
1-48 property on which a renewable energy facility is located or is
1-49 planned to be located during the term of the agreement, or of
1-50 tangible personal property that is located or is planned to be
1-51 located on the real property during that term.

1-52 SECTION 3. Subchapter A, Chapter 312, Tax Code, is amended
1-53 by adding Section 312.0022 to read as follows:

1-54 Sec. 312.0022. PROHIBITION ON ABATEMENT OF TAXES ON CERTAIN
1-55 RENEWABLE ENERGY FACILITY PROPERTY. (a) In this section:

1-56 (1) "Qualifying battery energy storage facility"
1-57 means a facility at which is located an electrochemical device that
1-58 collects, stores, and discharges energy, other than a device that
1-59 collects, stores, and discharges energy generated from natural gas.

1-60 (2) "Renewable energy facility" means:
1-61 (A) a qualifying battery energy storage

2-1 facility;
2-2 (B) a solar power generation facility; or
2-3 (C) a wind power generation facility.
2-4 (3) "Solar power generation facility" means a facility
2-5 designed and used to convert the radiant energy from the sun into
2-6 thermal, mechanical, or electrical energy for distribution or sale.
2-7 (4) "Wind power generation facility" means a facility
2-8 designed and used to convert the energy available in the wind into
2-9 thermal, mechanical, or electrical energy for distribution or sale.
2-10 (b) This section applies only to a renewable energy facility
2-11 that sells energy or ancillary services at wholesale for a power
2-12 grid.
2-13 (c) The governing body of a taxing unit may not enter into an
2-14 agreement under this chapter to exempt from taxation a portion of
2-15 the value of real property on which a renewable energy facility is
2-16 located or is planned to be located during the term of the
2-17 agreement, or of tangible personal property that is located or is
2-18 planned to be located on the real property during that term.
2-19 SECTION 4. The changes in law made by this Act apply only to
2-20 an agreement entered into under Chapter 380 or 381, Local
2-21 Government Code, or Chapter 312, Tax Code, on or after the effective
2-22 date of this Act.
2-23 SECTION 5. This Act takes effect January 1, 2026.

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