

Texas Commission on Environmental Quality (TCEQ)
Office of Air
Tax Relief for Pollution Control Property Advisory Committee
August 31, 2015
10:00 A.M. – 11:40 A.M.

Minutes

Opening Remarks

1. Mr. Bob Adair called the meeting to order at 10:00 A.M.
2. All committee members were present except for Mr. Robert Castor, Mr. Roland R. Bieber, and Mr. C. Wayne Frazell.
3. Mr. Adair re-stated the public comment policy. No action was taken.
4. No general comments were received from committee members or staff.

Prop 2 legislative update from TCEQ staff and/or Advisory Committee members

Mr. Ron Hatlett, TCEQ staff, explained that no bills impacting the Tax Relief for Pollution Control Property program passed the legislature. A bill regarding methane capture at landfills passed but it does not require action by TCEQ.

Mr. Bob Adair mentioned that no rulemaking is planned and that the three-year review will start in 2016. Rulemaking would be required only if necessary changes to the Tier 1 Table or Expedited Review List are identified during the review.

Reminder of process and timeline for application to TCEQ Tax Relief Advisory Committee

Mr. Ron Hatlett stated that the applications are available online and that September 15, 2015, is the deadline to file applications. Current Committee members must reapply if their terms are expiring. The Commission will discuss the nominations and appoint members at a December agenda meeting.

Discussion of “meet or exceed” in Texas Tax Code §11.31(b) – continuation from 3/6/15 and 4/24/15 meetings (excluding items 1(a) and 2 of attachment to 3/16 meeting minutes)

The Committee began discussion of Item 1) d) regarding eligibility for property tax abatement of pollution control equipment acquired to satisfy a requirement that is subsequently invalidated. The Committee is looking to address concerns about the possibility that pollution control equipment acquired to comply with adopted rules may not be eligible for a property tax exemption if those rules were subsequently invalidated before a property tax exemption were granted. After much discussion by Committee members, a motion to table Item 1) d) was passed with no opposition so that the language could be further refined and a rationale could be written.

The Committee briefly discussed Items 1) b) and 1) c). Item 1) b) would serve to clarify the eligibility of pollution control equipment that is installed before a rule or regulation is finalized or to avoid regulation because of the use of the property. Item 1) c) would serve to clarify that pollution control equipment should be eligible for a use determination that is effective upon the effective date of the regulation in instances where the rule is retroactively effective. Several Committee members mentioned that Item 1) b) could be separated into two Items. No action was taken on these Items.

Other

1. Old Business

None

2. New Business

Dr. Cyrus Reed asked when the next Annual Report will be available. Mr. Ron Hatlett responded that it is currently under review and that it should be posted by the end of September. Dr. Reed asked that a discussion of the Report be added to a future agenda.

3. Other General Comments from the Public

None

Action Items

None

Adjourn

The meeting adjourned at 11:40 A.M.