

TCEQ, Chief Engineer's Office  
Tax Relief for Pollution Control Property Advisory Committee  
March 12, 2010  
10:00A.M. – 3:00P.M.  
TCEQ, Austin Campus,  
Bldg. F, Rm. 2210

Minutes

**I. Opening Remarks ..... Bob Adair, Chair**

Mr. Adair called the meeting to order at 10:05 a. m. All members were present. Minutes of the February 25, 2010, meeting were discussed and approved. Mr. Adair explained that public comment would be accepted during the meeting. Mr. Don Lee began a discussion about TCEQ providing assistance for the committee. A motion requesting assistance was adopted. Ms. Susana Hildebrand, the TCEQ's Chief Engineer, agreed that the Tax Relief for Pollution Control Property Program (Tax Relief Program) would provide administrative assistance to the committee.

**II. Revisions of Rules.....Various**

Mr. Adair explained that priorities were established based on the short timeframe for proposing changes.

**A. Environmental benefit at the site or alternative (Figure 30: TAC §17.15(a) & (b))**

Mr. Lee presented a draft [resolution](#) which would serve as an alternative to “environmental benefit at the site”. Staff provided a document explaining the background of the “[at the site](#)” requirement. During discussion of the issue public comment was accepted from Parker Wilson, Valero. A motion was approved to table this topic and come back to it at a later time.

**B. Overview of “compelling evidence” standard.**

Mr. Adair requested a definition of “compelling evidence” and its origin. Mr. Tim Reidy, TCEQ's Office of Legal Services (OLS), explained that compelling means “persuasive” and not “beyond a shadow of a doubt.” Under §11.31(l) of the Texas Tax Code, compelling evidence is required for removal of an item from the list located in §11.31(k). On February 9, 2008, this standard was adopted for adding and removing items from both Parts A & B of the ECL.

**C. Part A and Flowchart (§17.14(a) and Figure 30: TAC §17.15(a))**

Mr. Wayne Frazell provided a copy of an [appeal document](#) related to ECL items M-15 and M-16. Mr. Adair presented a [document](#) explaining how this equipment is used. Staff explained that M-15 only covers equipment used for pollution control. It was suggested that staff review the descriptions of M-15 and M-16. No action was taken.

**D. Equipment and Categories List (ECL) Proposed Changes**

Staff provided a highlighted version of the [ECL](#) and discussed each highlighted item. Staff requested comments from the committee. Mr. Reidy suggested that committee members take a wide look at the ECL and provide suggestions by March 31, 2010. No action was taken.

**E. Part B and Flowchart (§17.14(a) and Figure 30: TAC §17.15(b))**

Mr. Robert Castor suggested that Green House Gases (GHG) other than carbon dioxide be added to §11.31(k)(16). Options discussed included adding other GHGs to B-16 on Part B of the ECL, adding equipment to control GHG to Part A of the ECL, or waiting until EPA adopts regulations before adding to the ECL. Further discussion was tabled pending the outcome of discussions about Parts A and B of the ECL.

**F. Option to replace “byproduct” with “marketable product” in §17.2 and §17.17(a) (TCEQ staff)**

Dr. Emmanuel Wada, TCEQ's Chief Engineer's Office, explained reasoning for removing “byproduct” from the Cost Analysis Procedure and replacing it with “marketable product”. After limited discussion, no action was taken.

**G. Option to revise definition of “capital cost old” and modify the Cost Analysis Procedure equation in §17.2 and §17.17(a) (TCEQ staff)**

Dr. Wada explained the proposed changes to the definition of “capital cost old” and to the equation. There was limited discussion about the definition change. The modification of the equation was discussed as part of the next item. No action was taken.

**H. Partial use determinations calculation method in §17.17(a) (TCEQ staff)**

Dr. Wada provided a [document](#) regarding several options on partial use determinations. Due to time constraints, discussion of this issue was limited. The issue was tabled until the next meeting.

**I. Other**

No additional issues were raised.

**III. Communication of Committee Majority and Minority Recommendations to TCEQ ..... Bob Adair**

Mr. Adair discussed that, when reporting to the commission, any report will contain both majority and minority viewpoints. No action was required.

**IV. Other ..... Bob Adair**

**A. Old Business**

No issues were raised.

**B. New Business**

During the public comment period Mr. Roland Bieber, raised issues related to final determinations not being issued within a timely manner including the potential to negative financial impacts on taxing authorities. He suggested that the TCEQ review the Tax Relief Program to determine proper staffing levels. Other suggestions included evaluating filing dates and deadlines. No action was taken.

**C. Public Comments**

The meeting was opened for public comment.

Mr. James LaBas, consultant, stated that the Valero representative would be providing written comments about the “environmental benefit at the site” issue. The committee agreed that comments on this issue must be provided by March 17.

Mr. Bernardo Garcia, Harris County Appraisal District, discussed appraisal district valuation issues. Mr. Adair explained that such issues were outside of the purview of the committee.

Mr. John Kenedy, Tax Association of Taxpayers and Research Association, provided historical information about the program.

**V. Adjourn**

A motion to adjourn the meeting was made and seconded. The motion was approved and the meeting was adjourned at 3:17 p.m.

**Next Meeting Date**

March 26, 2010 @ 10:00 a. m.  
TCEQ Austin Headquarters  
12100 Park 35 Circle  
Building E, Room 201S  
Austin, Texas 78753

## Advisory Group/Committee Meeting Sign-in Sheet

TCEQ - Chief Engineer's Office

Advisory/Stakeholder Group Name: Tax Relief for Pollution Control Property Advisory Committee

Meeting Date: March 12, 2010

Meeting Time: 10:00 am

Meeting Location: Building F, Room 2210

wish

Note: By providing this E-mail address, I hereby authorize the TCEQ to make my E-mail address available to the public. If addressing the committee, please fill out TCEQ Public Participation Form.

Name	Represent	E-mail Address (Optional)	Do you to address the committee? (yes/no)
Tim Keilly	TCEQ	tkeilly@tceq.state.tx.us	No
Don Hatlett	TCEQ	rhatlett@tceq.state.tx.us	No
Roland Bieber	Jefferson CAD	rbieber@jead.org	NO
Parker Wilson	Valero	parker.wilson@valero.com	no
Jon Neely	Capitol Appraisal	jonne@cagi.com	No
JOHN KENNEDY	TTARA	jkennedy@ttara.org	NO
PETE PEPE	Goose Creek CISD/Lee College	pete.pepe@gccisd.net	Yes
Charlene Piggott	Goose Creek CISD/Lee College	scpiggot@gccisd.net	no
Cyrus Reed	Sierra Club	Cyrus.reed@sierraclub.org	no
Eddie Arnold	Jefferson Co Triplexer Com	eddiearnold@jefferson.tx.us	no
Jeff Branick	Jefferson Cty	jbranick@co.jefferson.tx.us	don't know yet
GENE DISS	SELF	gdiss@entergy.com	no
Usha Turner	Luminant		No.
JOHN NICHOLS	Dow Chemical		
Amanda Taylor	Jefferson CAD	amandat@hbs-law.com	No
Greg Poole	BHISD	gpoole@bhisd.net	<del>Yes</del> <del>Yes</del> No
Don Eden	BHISD	deden@att.net	No
Paul Clow	Gregory-Portland ISD	pclow@g-jrisd.org	<del>Yes</del> Yes

## Advisory Group/Committee Meeting Sign-in Sheet

TCEQ - Chief Engineer's Office

Advisory/Stakeholder Group Name: Tax Relief for Pollution Control Property Advisory Committee

Meeting Date: March 12, 2010

Meeting Time: 10:00 am

Meeting Location: Building F, Room 2210

*want*

Note: By providing this E-mail address, I hereby authorize the TCEQ to make my E-mail address available to the public. If addressing the committee, please fill out TCEQ Public Participation Form.

Name	Represent	E-mail Address (Optional)	Do you to address the committee? (yes/no)
Ann Greenberg	ISDS	agreenberg@wabsa.com	no
Scott Smaistrela	NK STARL	SCOTT.SMAISTRELA@NCSST-ENR.COM	No
Trey Novosa	PGH	trey.novosa@property-tax.com	NO
Stephanie Strother	Luminant	stephanie.strother@luminant.com	No
Doug Clements	Senator Whitmire	doug.clements@senate.state.tx.us	NO -
Gwen Santiago	TASBO	gwen@tasbo.org	NO
MIKE BALL	GALENA PARK ISD	mball@GALENAPARKISD.COM	NO
Rafael Lozano	Sou Patricio CAD	rlozano@spcad.esc2.net	NO
MICHAEL VASQUEZ	URBAN COUNTIES		NO
Peter William Lou	SAN PAT CAD	PETER.WILLIAM.LOU@YAHOO.COM	NO
Dan Casey	Monk, Casey Associates	dcasey@monkcasey.com	yes NO
Bernardo J. Garcia	ACAD	<del>XXXXXXXXXXXX</del> bgarcia@ACAD.ORG	yes
Amy Beneski	Tx. Assoc. of School Administrators	abeneski@tasaret.org	NO
Minor Hibbs	TCEQ	mhibbs@tceq.state.tx.us	NO
Emmanuel Wada	TCEQ	ewada@tceq.state.tx.us	NO

