

Plain Language Summary for the Tax Relief (Prop 2) and Voter-Approval Tax Rate Relief Requirements Updates

Introduction

Texas voters approved a 1993 ballot initiative Proposition 2 (Prop 2) to amend the Texas Constitution, authorizing creation of a program that allowed for equipment required for pollution control, prevention, and monitoring to be exempt from property taxes. The Prop 2 Program is responsible for determining whether a facility uses certain property or equipment, in whole or in part, for pollution control. To be eligible, the property must have been installed to meet or exceed an adopted federal, state, or local environmental law or rule; be used for the prevention, monitoring, control, or reduction of air, water, or land pollution; and installed after January 1, 1994. The commission adopted rules in Title 30 Texas Administrative Code (TAC) Chapters 17 and 18 to implement the program.

Summary

The Texas Commission on Environmental Quality (TCEQ) is required at least once every three years to review and update the items on the Expedited Review Lists (ERL) and the items on the Tier I Tables in Chapters 17 and 18. This proposed rulemaking would fulfill the requirements for the commission to review and update the property included on the ERL and Tier I Table in Chapter 17. The rulemaking would also add certain property consistent with advice from the Tax Relief for Pollution Control Property Advisory Committee (committee) dated December 1, 2022, regarding updates to the Tier I Table.

The proposed rulemaking would also implement Section 44 of Senate Bill 2 of the 86th Texas Legislature, Regular Session, 2019, which requires rulemaking to correct the title of Chapter 18 to Voter-Approval Tax Rate Relief for Pollution Control Requirements.

Other changes would modernize various aspects of the program (such as use of communication by email and application forms in digital format), clarify that the executive director specifies the form of application submittal, move the ERL in Chapter 17 to a new section, and remove existing requirements that the commission review and update the Tier I Table every three years.

Public Comment and Hearing Information

TCEQ will offer a virtual public hearing on September 29, 2025, at 10:00 a.m. Central Daylight Time. This hearing is offered to receive public comments on the proposed rulemaking project Tax Relief (Prop 2) and Voter-Approval Tax Rate Relief Requirements Updates (Project No. 2023-123-017-AI).

The hearing will be conducted in English, and instructions for participating in the hearing will also be provided in Spanish. For accommodation needs, contact Sandy Wong, General Law Division at (512) 239-1802 or 1-800-RELAY-TX (TDD) as far in advance as possible.

The comment period for this project opens on September 5, 2025, and closes on October 6, 2025. Submit written comments through the *TCEQ Public Comments* system at <https://tceq.commentinput.com/>. Comments for the proposed rulemaking must reference **Rule Project Number 2023-123-017-AI**.

The proposed rulemaking documents can be found on the TCEQ's website at <https://www.tceq.texas.gov/rules/prop.html>.

For more information about the proposal or to get help with submitting written comments, contact Elizabeth Sartain, Rule Project Manager, at (512) 239-2933 or elizabeth.sartain@tceq.texas.gov.