

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. Bennett Sandlin.
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 program staff have reviewed and are monitoring 11 bills of which only two directly impact the program. These are House Bill (HB) 4087, which proposes amending Texas Tax Code §11.31(16)(k) and (m) and the addition of new m-1 and m-2, and Senate Bill (SB) 1469, which would require the periodic re-review of positive use determinations. Various committee members discussed HB 4087 and its relationship to the resolution discussed in the next section. The purpose of the amendments is to clarify when the use of item K-16 is applicable and to clarify if carbon capture systems are used wholly or partly for pollution control. As proposed, the application of HB 4087 would be limited to one facility.

As proposed, SB 1469 would require holders of positive use determinations to file a new application with the TCEQ every three years and the TCEQ to evaluate the application and issue a new use determination. During a hearing on the bill, a suggestion was made to limit the requirement to only Tier II and III applications and to extend the time period to five years. Mr. Don Lee pointed out that this recommendation was included in the report issued by the Legislative Budget Board several years ago.

Discussion of “meet or exceed” in Texas Tax Code §11.31(b) – continuation from 3/6/15 meeting

Mr. Mike Nasi distributed an amended proposed resolution entitled “[Recommended Clarification of Eligibility for the TCEQ Pollution Control Property Tax Program.](#)” The resolution “advises that carbon capture utilization and storage (CCUS) equipment installed at an existing power plant now has an adequate environmental rule in place to provide the basis for eligibility of the CCUS equipment for a positive use determination, if the other program requirements are met.” During the ensuing discussion there was general agreement that since sources of CO₂ are subject to regulation by the Environmental Protection Agency (EPA) the threshold for applicability of item K-16 has been met. The purpose of the resolution is to clarify this for the TCEQ, but it does not require that a positive use determination be issued.

The resolution, with one minor amendment, was adopted by the committee without opposition.

Other

1. Old Business

None

2. New Business

Dr. Cyrus Reed suggested that once EPA’s Clean Power Plant rule becomes final the committee will need to discuss its applicability to the Tax Relief Program.

Mr. Roland Bieber thanked Mr. Lee, Mr. Sandlin, and Mr. Nasi for the time that they spent working on the committee resolution. Mr. Adair echoed his comments.

3. ***Other General Comments from the Public***

None

Action Items

None

Adjourn

The meeting adjourned at 10:45 P.M.