

Texas Commission on Environmental Quality (TCEQ)  
Office of Air  
Tax Relief for Pollution Control Property Advisory Committee Meeting  
September 6, 2013  
10:00 AM – 11:28 AM

## **Minutes**

### ***Opening Remarks***

1. Call to order.  
Mr. Bob Adair called the meeting to order at 10:00 AM.
2. Recognition of committee members present and absent.  
All members except Mr. Leo Scherrer were present.
3. General comments from committee members and staff.  
Mr. Chance Goodin, TCEQ, introduced Mr. Ron Olson, Mr. Don Redmond, and Mr. Guy Henry as they will provide legal counsel to executive director staff concerning the tax relief program.
4. Public comments policy discussion.  
Mr. Adair re-stated the public comment policy. No action was taken.

### ***Update regarding applicants for the TCEQ Tax Relief for Pollution Control Property Advisory Committee***

The application period closed September 3, 2013, and TCEQ received sufficient applications to fill the open positions. There were eight applications from prospective members in addition to applications from members who re-applied. The applications are being reviewed, and TCEQ anticipates appointments by the Commission during a December or January agenda.

### ***TCEQ's plan to comply with House Bill 1897, 83<sup>rd</sup> Texas Legislature, Regular Session***

For applications received after September 1, 2014, HB 1897 requires TCEQ to make a final determination (including any appeal process) within one year of the application being declared administratively complete. In 2012, 95% of technical reviews were completed within 16 days, and in 2011, 75% of technical reviews were completed within 60 days. Rule changes will include time frames that will provide for compliance with HB 1897.

The landfill gas capture and use exemption passed by the legislature is a direct statutory exemption that does not involve the TCEQ. Committee members anticipate parties engaged in landfill gas capture and sale will approach the legislature again in two years to lobby for changes to the tax relief program. There was discussion of the committee adopting a resolution to present to the legislature stating the program should not be changed to provide exemptions to companies engaged in the for-profit business of collecting and selling landfill gas.

The committee members discussed valuation agreements made with chief appraisers. These agreements are not based on statute. There was discussion concerning involvement of the taxing entities versus autonomy of the chief appraiser with regard to valuation decisions.

### ***Review of the Tier I Table***

TCEQ is required to review the Tier I Table in 30 TAC Chapter 17 every three years. The purpose of the review is to add items for which there is compelling evidence that they are used 100% for pollution control and to remove items for which there is compelling evidence to support the conclusion that the item does not render pollution control. TCEQ welcomed input from the committee concerning items to add or remove from the Tier I Table. Committee members expressed interest in submitting documentation to support inclusion of pollution control equipment items on the Tier I list that are eligible for less than 100% use determination.

### ***Old Business***

Regarding heat recovery steam generator (HRSG) applications, TCEQ received a large quantity of information from 19 applicants. The agency is slightly past the 60-day review time frame and will respond in the near future. Committee members asked about the ability of appraisal districts and taxing authorities to review HRSG applications in their respective areas. Some previously submitted application information is linked to the commissioners' agenda item when the HRSG applications were considered. Information requests from appraisal districts concerning information currently being reviewed would slow the review process because TCEQ would have to shift resources to handling the information requests. Applicants or appraisal districts will have the usual opportunity to appeal after the use determinations are issued.

### ***Other General Comments from the Public***

Tom Countryman, counsel with Norton, Rose, Fulbright provided comment concerning the HRSG applications and suggested changes to the Tier III process.

### ***Action Items***

None

### ***Adjourn***

11:28 AM