

BILL SUMMARY
1st Session of the 55th Legislature

Bill No.:	SB 498
Version:	CS
Request Number:	7385
Author:	Rep. Sears
Date:	4/14/2015
Impact:	Analysis from Tax Commission Pending

**Reduction in Ad Valorem Reimbursement
Anticipated Upon Completion of Exemption Period**

Research Analysis

SB498 prohibits wind electricity manufacturers from claiming the five year ad valorem exemption currently provided to a qualifying manufacturing concern for assets placed in commercial operation after December 31, 2016.

Prepared By: Quyen Do

Fiscal Analysis

The Tax Commission is completing analysis, however it is anticipated the provisions of the measure will result in a reduction in the amount necessary for reimbursement to local governing bodies as qualified projects complete the exemption period and no new projects are added. No precise estimates are complete, however the current estimates for wind power-related reimbursement indicate an estimated \$50 million, with expected increases, in FY-17 and beyond.

Prepared By: Mark Tygret

Other Considerations

None.