

For over two decades, **Texas has led the nation in economic growth and investment**—thanks to natural advantages like abundant land, ample resources, and no state income tax, along with smart, locally-driven economic development tools. Recognizing that high taxes discouraged investment, the Legislature created Chapter 312 and later expanded local authority through Chapters 380 and 381. These programs allow cities and counties to offer temporary property tax abatements tailored to their communities. They've been especially important in rural areas, where **clean energy projects create new tax revenue and landowner income with minimal strain on local services.**

OPPOSE SB 1754

SB 1754 would strip that local authority by prohibiting counties and municipalities from offering ad valorem tax abatements for utility-scale solar, wind and standalone battery projects. It amends Chapters 312, 380, and 381 to ban tax agreements for clean energy facilities—while leaving other industries untouched. **This targeted exclusion undermines local control, threatens rural economic development, picks winners and losers, and sends a chilling message to investors in Texas' future.**

Chapter 312 was an immediate success and remains one of the state's most effective economic growth tools. A key feature of this program—along with Chapters 380 and 381—is local control, allowing communities to tailor economic development tools to their priorities. **Some focused on job creation; others prioritized tax base growth to support schools and services, especially in rural areas** where agricultural exemptions significantly reduce tax collections.

Critics now claim clean energy doesn't create enough jobs and is "over-subsidized," overlooking the substantial subsidies for other energy sectors, ignoring the **nearly \$900 million in monthly savings clean energy delivers to Texas ratepayers**, and the fact that **stripping local authority disempowers rural and under-resourced communities**—many of which lack other opportunities to attract large-scale capital investment.

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Wind has been a Godsend – it allows flexibility in budgeting by providing a constant source of revenues that you know will be there when you need them.

— Don Allred, Former Oldham County Judge
(Wind now provides 50% of total county revenues)

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92

Texas counties utilizing Chapter 312 agreements

\$20.2 B

in tax revenue expected for Texas communities from wind, solar, and energy storage projects

137

Texas cities utilizing Chapter 312 agreements

>75%

Texas counties expected to receive tax revenue from wind, solar, or battery storage projects

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Solar presented a great opportunity for our family to keep the ranch in the family and preserve our generational legacy... This project will contribute approximately \$31 million in tax revenue for the local community through the life of the project.

— Skip and Mary-Margaret McDonald,
Landowners in Tom Green & Menard Counties

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Texans believe in local control, free markets, and competition. SB 1754 undermines all three—targeting technologies that deliver reliable energy and economic benefits during a time of rapid load growth. Lawmakers should stand with rural communities, landowners, and local leaders—not tie their hands.

VOTE NO on SB 1754!