

112TH CONGRESS
2D SESSION

H. R. 4847

To prevent certain discriminatory taxation of natural gas pipeline property.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2012

Mr. FLORES (for himself and Mr. GENE GREEN of Texas) introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To prevent certain discriminatory taxation of natural gas pipeline property.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. LIMITATION ON DISCRIMINATORY TAXATION**
4 **OF NATURAL GAS PIPELINE PROPERTY.**

5 (a) DEFINITIONS.—For purposes of section:

6 (1) ASSESSMENT.—The term “assessment”
7 means valuation for a property tax levied by a taxing
8 authority.

9 (2) ASSESSMENT JURISDICTION.—The term
10 “assessment jurisdiction” means a geographical area

1 used in determining the assessed value of property
2 for ad valorem taxation.

3 (3) COMMERCIAL AND INDUSTRIAL PROP-
4 ERTY.—The term “commercial and industrial prop-
5 erty” means property (excluding natural gas pipeline
6 property, public utility property, and land used pri-
7 marily for agricultural purposes or timber growth)
8 devoted to commercial or industrial use and subject
9 to a property tax levy.

10 (4) NATURAL GAS PIPELINE PROPERTY.—The
11 term “natural gas pipeline property” means all
12 property, real, personal, and intangible, owned or
13 used by a natural gas pipeline providing transpor-
14 tation or storage of natural gas, subject to the juris-
15 diction of the Federal Energy Regulatory Commis-
16 sion.

17 (5) PUBLIC UTILITY PROPERTY.—The term
18 “public utility property” means property (excluding
19 natural gas pipeline property) that is devoted to
20 public service and is owned or used by any entity
21 that performs a public service and is regulated by
22 any governmental agency.

23 (b) DISCRIMINATORY ACTS.—The acts specified in
24 this subsection unreasonably burden and discriminate
25 against interstate commerce. A State, subdivision of a

1 State, authority acting for a State or subdivision of a
2 State, or any other taxing authority (including a taxing
3 jurisdiction and a taxing district) may not do any of the
4 following such acts:

5 (1) Assess natural gas pipeline property at a
6 value that has a higher ratio to the true market
7 value of the natural gas pipeline property than the
8 ratio that the assessed value of other commercial
9 and industrial property in the same assessment ju-
10 risdiction has to the true market value of the other
11 commercial and industrial property.

12 (2) Levy or collect a tax on an assessment that
13 may not be made under paragraph (1).

14 (3) Levy or collect an ad valorem property tax
15 on natural gas pipeline property at a tax rate that
16 exceeds the tax rate applicable to commercial and in-
17 dustrial property in the same assessment jurisdic-
18 tion.

19 (4) Impose any other tax that discriminates
20 against a natural gas pipeline providing transpor-
21 tation subject to the jurisdiction of the Federal En-
22 ergy Regulatory Commission.

23 **SEC. 2. JURISDICTION OF COURTS; RELIEF.**

24 (a) GRANT OF JURISDICTION.—Notwithstanding sec-
25 tion 1341 of title 28, United States Code, and notions of

1 comity, and without regard to the amount in controversy
2 or citizenship of the parties, the district courts of the
3 United States shall have jurisdiction, concurrent with
4 other jurisdiction of the courts of the United States, of
5 States, and of all other taxing authorities and taxing juris-
6 dictions, to prevent a violation of section 1.

7 (b) RELIEF.—Except as otherwise provided in this
8 subsection, relief may be granted under this Act only if
9 the ratio of assessed value to true market value of natural
10 gas pipeline property exceeds by at least 5 percent the
11 ratio of assessed value to true market value of other com-
12 mercial and industrial property in the same assessment
13 jurisdiction. If the ratio of the assessed value of other
14 commercial and industrial property in the assessment ju-
15 risdiction to the true market value of all other commercial
16 and industrial property cannot be determined to the satis-
17 faction of the court through the random-sampling method
18 known as a sales assessment ratio study (to be carried
19 out under statistical principles applicable to such a study),
20 each of the following shall be a violation of section 1 for
21 which relief under this Act may be granted:

22 (1) An assessment of the natural gas pipeline
23 property at a value that has a higher ratio of as-
24 sessed value to the true market value of the natural
25 gas pipeline property than the ratio of the assessed

1 value of all other property (excluding public utility
2 property) subject to a property tax levy in the as-
3 sessment jurisdiction has to the true market value of
4 all other property (excluding public utility property).

5 (2) The collection of an ad valorem property tax
6 on the natural gas pipeline property at a tax rate
7 that exceeds the tax rate applicable to all other tax-
8 able property (excluding public utility property) in
9 the taxing jurisdiction.

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