

BILL ANALYSIS

Senate Research Center
77R12949 JD-D

C.S.S.J.R. 6
By: Duncan
Finance
4/22/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, Texas law does not provide an ad valorem taxation exemption to certain tangible personal property held temporarily for commercial purposes. C.S.S.J.R. 6 proposes a constitutional amendment that exempts certain personal property from ad valorem taxation.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article VIII, Texas Constitution, to add Section 1-n, as follows:

- (a) Exempts goods, wares, merchandise, other tangible personal property, and ores, other than oil, natural gas, and other petroleum products, from ad valorem taxation if:
 - (1) the property is acquired in or imported into this state to be forwarded to another location in this state or outside this state, whether the intention to forward the property to another location in this state or outside this state is formed or the destination to which the property is forwarded is specified when the property is acquired in or imported into this state;
 - (2) the property is detained at a location in this state that is not owned or under the control of the property owner for certain purposes by the person who acquired or imported the property; and
 - (3) the property is transported to another location in this state or outside of this state not later than 270 days after the date the person acquired or imported the property in this state.
- (b) Sets forth certain guidelines related to property for the purposes of this section.
- (c) Authorizes a property owner who is eligible to receive the exemption authorized by Section 1-j of this article to apply for the exemption authorized by this section in the manner provided by general law. Prohibits a property owner who receives the exemption authorized by this section from receiving the exemption authorized by Section 1-j of this article for the same property.
- (d) Authorizes the governing body of a political subdivision that imposes ad valorem taxes to provide for the taxation of property exempt under Subsection (a) of this section and not exempt from ad valorem taxation by any other law. Authorizes the governing body of the political subdivision, before acting to tax the exempt property, to conduct a public hearing at which members of the public are permitted to speak for or against the taxation of the property.

(e) Provides that the effective date of this section is January 1, 2002. Provides that the expiration date of this subsection is January 1, 2003.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 6, 2001. Requires the ballot to be printed to permit voting for or against the proposition: "The constitutional amendment to promote equal tax treatment for products produced, acquired, and distributed in the State of Texas by providing for the exemption from ad valorem taxation of tangible personal property held at certain locations only temporarily for assembling, manufacturing, processing, or other commercial purposes."

SUMMARY OF COMMITTEE CHANGES

Amends As Filed S.J.R. 6 by adding Subsection (d) and redesignating proposed Subsection (d) as Subsection (e).