

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: City Manager's Office
AGENDA DATE: December 6, 2011
CONTACT PERSON/PHONE: Lynly Leeper, Chief Budget Officer, 541-4777
DISTRICT(S) AFFECTED: All

SUBJECT:

An ordinance to tax tangible personal property in transit held temporarily at a location in El Paso, Texas, which would otherwise be exempt pursuant to Texas Tax Code, Section 11.253.

BACKGROUND / DISCUSSION:

The 80th Texas Legislature in Regular Session enacted House Bill 621 to take effect on January 1, 2008, which added Texas Tax Code Section 11.253 to exempt from taxation certain tangible personal property held temporarily at a location in this state for assembling, storing manufacturing, processing or fabricating purposes ("Goods-in-Transit").

The 82nd Texas Legislature in Special Session has enacted Senate Bill 1 which revised Texas Tax Code Section 11.253 effective January 1, 2012, exempting from taxation certain tangible personal property held temporarily at a location in this state ("Goods-in-Transit") which property has been subject to taxation in the past.

The Texas Tax Code Section 11.253)(j)(1) as amended allows the governing body of a taxing unit, after conducting a public hearing, to provide for the continued taxation of such Goods-in-Transit.

PRIOR COUNCIL ACTION:

Yes, City Council previously adopted an ordinance imposing the ad valorem tax on Goods-in-Transit, effective January 1, 2008.

AMOUNT AND SOURCE OF FUNDING:

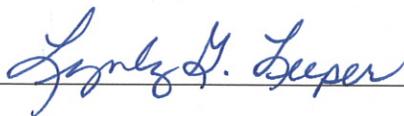
N/A

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



ORDINANCE NO. _____

AN ORDINANCE TO TAX TANGIBLE PERSONAL PROPERTY IN TRANSIT HELD TEMPORARILY AT A LOCATION IN EL PASO, TEXAS, WHICH WOULD OTHERWISE BE EXEMPT PURSUANT TO TEXAS TAX CODE SECTION 11.253 AND REPEAL ORDINANCE NO. 16798

WHEREAS, on December 11, 2007, the City of El Paso by Ordinance No. 16798 elected to tax certain tangible personal property held temporarily at a location in this state for assembling, storing, manufacturing, processing or fabricating purposes in accordance with Texas Tax Code Section 11.253;

WHEREAS, the 82nd Texas Legislature in Special Session has enacted Senate Bill 1 which revised Texas Tax Code Section 11.253 effective January 1, 2012, which exempts from taxation Goods in Transit redefined to include only certain tangible personal property stored temporarily at a location in this state;

WHEREAS, Texas Tax Code Section 11.253(j)(1) as amended allows the governing body of a taxing unit, after conducting a public hearing, to provide for the continued taxation of such redefined Goods-in-Transit; and

WHEREAS, the City Council of the City of El Paso, having conducted a public hearing as required by Section 1-n(d), Article VIII, Texas Constitution, has determined that it is in the best interests of the City of El Paso to continue to tax such Goods-in-Transit.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the tangible personal property held temporarily at a location in this state for storage ("Goods-in-Transit") in accordance with Texas Tax Code Section 11.253, as amended by Texas Senate Bill 1, enacted by the 82nd Texas Legislature in Special Session, shall remain subject to taxation by the City of El Paso, Texas for tax year 2012 and every year thereafter and that Ordinance No. 16798 be repealed.

PASSED AND APPROVED this _____ day of _____, 2011.

CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

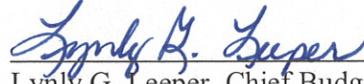
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Bertha A. Ontiveros
Assistant City Attorney

APPROVED AS TO CONTENT:



Lynly G. Leeper, Chief Budget Officer
City Manager's Office

ORDINANCE _____

11-1056-004 Ordinance Goods-In-Transit (Freeport) Tax 2011
Doc. 88711.2 BAO