

ORDINANCE NO. 448

**AN ORDINANCE OF THE TOWN OF ANTHONY
TO TAX TANGIBLE PERSONAL PROPERTY IN TRANSIT
WHICH WOULD OTHERWISE BE EXEMPT
PURSUANT TO TEXAS TAX CODE, SECTION 11.253,
FOR THE TOWN OF ANTHONY, TEXAS**

WHEREAS, the 80th Texas Legislature in Regular Session has enacted House Bill 621 to take effect on January 1, 2008, which added Tex. Tax Code §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) which property has been subject to taxation in the past; and

WHEREAS, Tex. Tax Code §11.253(j) 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; and

WHEREAS, the Town Council of the Town of Anthony, Texas, having conducted a public hearing as required by Section 1-n (d), Article VIII, Texas Constitution, is of the opinion that it is in the best interests of the Town to continue to tax such goods-in-transit;

NOW THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF ANTHONY, TEXAS, THAT:

The goods-in-transit, as defined Tex. Tax Code 11.253(a)(2), as amended by House Bill 621, enacted by the 80th Texas Legislature in Regular Session, shall remain subject to taxation by the Town of Anthony, Texas.

If any section of this Ordinance shall be adjudged invalid or unconstitutional, the same shall not affect the validity of this Ordinance as a whole or any part or provision thereof other than the part so decided to be invalid or unconstitutional.

Enactment

That this Ordinance was duly enacted with all the requisites and formalities incident

December 18, 2007

Memorandum

To: Mayor and City Council

From: R. Contreras

Re: Goods in Transit Exemption

As per the direction of the Mayor and council I made inquiries with the El Paso Central Appraisal District regarding the amount of the anticipated losses that the Town will have if no action is taken on the Goods in Transit Ordinance. The Central Appraisal District advised me that they would not be the office that would provide this information but rather it would be the El Paso Tax Office.

I spoke with supervisory personnel at the Tax Office and I was advised that the losses could be calculated as follows:

Total personal inventory subject to tax as provided by the Central Appraisal District in October, 2007 - \$11,258,178.00

Approximate total of general goods exempted by the faulty legislation - \$12,000,000.00. (This is merely a guess on my part which I believe is conservative)

Total - \$23,258,178.00 x tax rate (.413420) = \$9,615,395.9 x .01 = \$96,153.96 lost revenues.

Please advise if you will want to set a special meeting to discuss and take action on this matter.

Richard Contreras

El Paso Central Appraisal District

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JERRY R. GRIFFIN, RPA
EXECUTIVE DIRECTOR
CHIEF APPRAISER

5801 TROWBRIDGE DRIVE
EL PASO, TEXAS 79925-3345
(PHONE) 915-780-2000
(FAX) 915-780-2130

October 11, 2007

Mr. Steven Hambrick, President
El Paso County Emergency Services District #1
14151 Nunda Ave.
El Paso, TX 79928

Consolidated
541-4054

Re: New exemption of "Goods in Transit"

Dear Mr. Hambrick:

As a reminder, HB 621 which was passed during the 2007 legislative session will go into effect in January for the 2008 tax year and will exempt certain "Goods in Transit". If you wish to continue to tax these types of goods you must take action before the end of 2007. (Please see attached copy of our letter dated August 13, 2007.)

We are enclosing our estimate of the possible value loss to your entity due to the new "Goods in Transit" exemption. This estimate is based on existing business personal property accounts and will be subject to individual companies changing their accounting practices to comply with the new State law.

If you should have any questions or need further information, please call me.

Sincerely,

Jerry R. Griffin, R.P.A.
Executive Director/Chief Appraiser

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Enclosure (2)

cc: Ron Larson
Treasurer

"People Helping People"

Visit our Website @ WWW.ELPASOCAD.ORG

EL PASO CENTRAL APPRAISAL DISTRICT
POSSIBLE BUSINESS PERSONAL PROPERTY INVENTORY
THAT MAY BE SUBJECT TO NEW "GOODS IN TRANSIT" EXEMPTION

-413420

ENTITY	NUMBER OF ACCOUNTS	VALUE CURRENTLY ON APPRAISAL ROLL
Anthony ISD	15	\$11,258,178
Anthony , Town of	15	\$11,258,178
Canutillo ISD	43	\$5,031,223
Clint ISD	22	\$3,778,357
Clint, Town of	5	\$231,000
El Paso, City of	1,145	\$433,747,346
El Paso Community College	1,307	\$459,022,538
El Paso, County of	1,307	\$459,022,538
El Paso ESD #1	9	\$2,886,516
El Paso ESD #2	153	\$22,388,676
El Paso County Lower Valley WDA	67	\$5,622,595
El Paso County Tornillo WID	3	\$19,240
El Paso County WCID #4	14	\$1,067,639
El Paso ISD	766	\$200,205,990
Fabens ISD	17	\$1,286,890
Haciendas Del Norte WID	none at the present time	
Horizon City, Town of	9	\$2,886,516
Horizon Regional MUD	9	\$2,886,516
Paseo Del Este MUD #1	none at the present time	
Paseo Del Este MUD #3	none at the present time	
Paseo Del Este MUD #10	none at the present time	
Paseo Del Este MUD #11	none at the present time	
San Elizario ISD	14	\$489,921
Socorro ISD	136	\$134,026,457
Socorro, City of	38	\$3,038,879
R. E. Thomason Hospital	1,307	\$459,022,538
Tornillo ISD	3	\$19,240
Vinton, Village of	3	\$37,147
Ysleta ISD	291	\$102,926,282

x + v ÷ 100

El Paso Central Appraisal District

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EXECUTIVE DIRECTOR
CHIEF APPRAISER

5801 TROWBRIDGE DRIVE
EL PASO, TEXAS 79925-3345
(PHONE) 915-780-2000
(FAX) 915-780-2130

August 13, 2007

Mr. Steven Hambrick, President
El Paso County Emergency Services District #1
14151 Nunda Ave.
El Paso, TX 79928

Re: New Exemption of "Goods in Transit" – Local Option to Tax

Dear Mr. Hambrick:

In the 2007 session, the Texas Legislature passed HB 621. This bill was the implementing legislation for a constitutional amendment that was passed several years ago. The bill is very similar to the Freeport Exemption but it has a potentially larger impact as time goes on. This letter is to inform you of your options to tax the property that is subject to this new exemption and to provide you with the forms and procedure to tax these goods if you choose.

This new law passed without much scrutiny because it was a bracket bill that only affected one county in Texas until the closing days of the legislative session. Then an amendment made the exemption applicable statewide.

This bill exempts goods, principally inventory, that are stored in a location that is not owned by the owner of the goods and are transferred from that location to another location within 175 days. The goods may be in the location for the purposes of assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported the property. Certain specific types of goods are presently excluded from this exemption: oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory. Petroleum products are defined to be only the immediate derivatives of oil and natural gas, so some goods that you might think of as petroleum may actually be exempted from taxation by this new law.

What can you do?

The governing body of each taxing unit in the state may act to tax these goods in the year following the year in which the governing body takes action. These goods will first become exempt in 2008. **So if you wish to continue to tax these types of goods in 2008, you must act to tax the goods before the end of 2007. You must then inform the appraisal district that you have acted to tax these goods. A copy of the resolution is the best way to document your decision to us.**

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Visit our Website @ WWW.ELPASOCAD.ORG

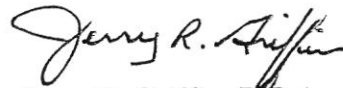
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EL PASO, TEXAS

Before you act to tax these goods, you must hold a public hearing on the question of whether to tax them or whether to let them become exempt. The legislature has not prescribed special procedures for this hearing, so it may be held at a meeting of the governing body called for other purposes. The item must be listed on the agenda for that meeting as an action item in compliance with the Open Meetings Act, but no additional public notice is required.

The legislature required that each taxing unit act in the manner required for official action by the governing body of the taxing unit. For, school districts and taxing units other than counties or cities, this means that action should be taken by resolution. A sample resolution is attached.

We hope this letter and the attached form will help you make an informed decision on behalf of the taxpayers that you represent. If you should have any questions concerning this matter, please call me.

Sincerely,

A handwritten signature in cursive script that reads "Jerry R. Griffin".

Jerry R. Griffin, R.P.A.
Executive Director/Chief Appraiser

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Enclosure

cc: Ron Larson
Treasurer

RESOLUTION NO. _____

A RESOLUTION OF THE _____ (name of taxing unit) TO TAX
TANGIBLE PERSONAL PROPERTY IN TRANSIT WHICH WOULD
OTHERWISE BE EXEMPT PURSUANT TO TEXAS TAX CODE, SECTION
11.253

WHEREAS, the 80th Texas Legislature in Regular Session has enacted House Bill 621 to take effect on January 1, 2008, which added Tex. Tax Code §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) which property has been subject to taxation in the past; and

WHEREAS, Tex. Tax Code §11.253(j) 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; and

WHEREAS, the _____ (name of governing body) of the _____ (name of taxing unit), having conducted a public hearing as required by Section 1-n (d), Article VIII, Texas Constitution, is of the opinion that it is in the best interests of the district to continue to tax such goods-in-transit;

NOW THEREFORE, BE IT RESOLVED BY THE _____ (name of governing body) FOR THE _____ (name of taxing unit) THAT: The goods-in-transit, as defined Tex. Tax Code 11.253(a)(2), as amended by House Bill 621, enacted by the 80th Texas Legislature in Regular Session, shall remain subject to taxation by the _____ (name of taxing unit).

Dated this ____ day of _____, 2007.

(title of presiding officer)

Attested:

Secretary



FAX COVER SHEET
LAW OFFICE OF
RICHARD CONTRERAS, ESQ.
2150 Trawood, Suite B-200
El Paso, Texas 7935

Merelis Medina
Legal Assistant

Telephone: (915) 594-1970
Fax: (915) 594-1967

TO: **Myriam**
ORGANIZATION:

Fax Number: (915) 886-3115

FROM: Richard Contreras / Merelis

TOTAL NUMBER OF PAGE INCLUDING THIS COVER PAGE: 2 with cover sheet

DATE: October 26, 2007

TIME:

Dear Myriam,

Attached you Ordinance to Tax Tangible Personal Property.

If you have any questions regarding this matter, call (915) 594-1970.

Thank you,

Merelis Medina
Legal Assistant to
Richard Contreras

IMPORTANT NOTICE

The information contained in this facsimile is confidential information, may be attorney privileged, and is intended for the use of the individual or entity above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this fax in error; please notify us immediately by telephone.

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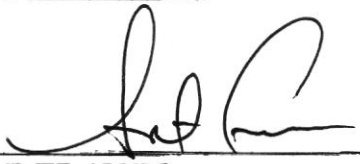
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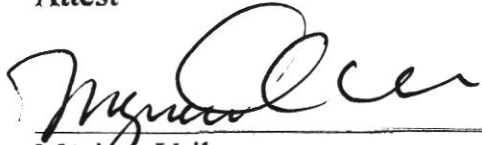
thereto the enactment of ordinances, and such is evidenced by the below signatures.

SIGNED AND ENACTED this 26th day of December, 2007.



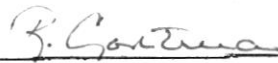
ART FRANCO
Mayor

Attest



Myriam Uribe
Town Clerk

Approved:



Richard Contreras
Town Attorney