

TAXATION OF TANGIBLE PERSONAL PROPERTY IN TRANSIT

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DRIPPING SPRINGS, TEXAS, AMENDING TITLE 1, CHAPTER 1, ARTICLE 1.04 OF THE DRIPPING SPRINGS CODE OF ORDINANCES BY ADDING A NEW DIVISION 4, PROVIDING FOR THE *AD VALOREM* TAXATION OF TANGIBLE PERSONAL PROPERTY IN TRANSIT; AND PROVIDING FOR REPEALER AND SEVERABILITY.

WHEREAS, Section 11.253(b) of the Texas Tax Code authorizes a “super freeport” property tax exemption for certain tangible personal property; and

WHEREAS, Section 11.253(j) of the Texas Tax Code authorizes that the City Council (“City Council”) of the City of Dripping Springs (“City”) may in the manner required for official action by the City, following a public hearing, provide for the taxation of goods-in-transit otherwise exempt pursuant to Section 11.253(b) of the Texas Tax Code, and not exempt under other law; and

WHEREAS, the City Council held a public hearing prior to the passage of this Ordinance; and

WHEREAS, the City Council of the City of Dripping Springs, Texas finds and determines that the super freeport exemption as authorized by Section 11.253 of the Texas Tax Code is not in the best interest of the City and that the City should impose an *ad valorem* tax on certain goods in transit.

NOW, THEREFORE, BE IT ORDAINED by the Dripping Springs City Council:

SECTION 1. FINDINGS OF FACT

The foregoing recitals are incorporated into this Ordinance by reference as findings of fact as if expressly set forth herein.

SECTION 2. ENACTMENT

Title 1, Article 1.04 of the City of Dripping Springs Code of Ordinances is hereby amended so to read in accordance with *Exhibit A*, which is attached hereto and incorporated into this Ordinance for all intents and purposes.

SECTION 3. REPEALER

All ordinances, or parts thereof, that are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters regulated, herein

SECTION 4. SEVERABILITY

Should any of the clauses, sentences, paragraphs, sections or parts of this Ordinance be deemed invalid, unconstitutional, or unenforceable by a court of law or administrative agency with jurisdiction over the matter, such action shall not be construed to affect any other valid portion of this Ordinance.

SECTION 5. CODIFICATION

The City Secretary is hereby directed to record and publish the attached rules, regulations and policies in the City's Code of Ordinances as authorized by Section 52.001 of the Texas Local Government Code.

SECTION 6. EFFECTIVE DATE

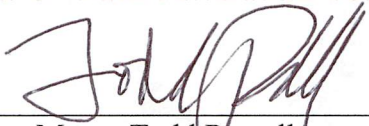
This Ordinance shall be effective immediately upon passage and publication.

SECTION 7. PROPER NOTICE & MEETING

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551. Notice was also provided as required by Chapter 52 of the Texas Local Government Code.


PASSED & APPROVED this, the 9th day of February, 2016, by a vote of 5 (ayes) to 0 (nays) to 0 (abstentions) of the City Council of Dripping Springs, Texas.

CITY OF DRIPPING SPRINGS:

by: 

Mayor Todd Purcell

ATTEST:



Kerri Craig, City Secretary

Exhibit "A"

**City of Dripping Springs
CODE OF ORDINANCES
TITLE 1: GENERAL ORDINANCES
CHAPTER 1: GENERAL PROVISIONS
ARTICLE 1.04: TAXATION**

**DIVISION 4: TAXATION OF TANGIBLE PERSONAL PROPERTY IN
TRANSIT**

(a) *Definitions.* The following terms have the same meaning as defined in section 11.253 of the Texas Tax Code, as amended.

(1) The terms “Dealer's motor vehicle inventory,” “dealer's vessel and outboard motor inventory,” “dealer's heavy equipment inventory,” and “retail manufactured housing inventory” have the meanings assigned by Subchapter B, Chapter 23 of the Texas Tax Code, as amended.

(2) The term “Goods-in-transit” is defined to mean tangible personal property that:

(A) is acquired in or imported into this state to be forwarded to another location in this state or outside this state;

(B) is detained at a location in this state in which the owner of the property does not have a direct or indirect ownership interest for assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported the property;

(C) is transported to another location in this state or outside this state not later than 175 days after the date the person acquired the property in or imported the property into this state; and

(D) does not include 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.

(3) The term “Location” means a physical address.

(4) The term “Petroleum product” means a liquid or gaseous material that is an immediate derivative of the refining of oil or natural gas.

(b) A person is not entitled to an exemption from taxation of the appraised value of that portion of the person's property that consists of goods-in-transit. A person's property consisting of goods-in-transit is hereby subject to *ad valorem* taxation pursuant to Section 11.253 of the Texas Tax Code, as amended.