

By: King of Parker

H.B. No. 913

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the ad valorem tax situs of certain portable drilling
3 rigs.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 21.02(a), Tax Code, is amended to read as
6 follows:

7 (a) Except as provided by Subsection [~~Subsections~~] (b) [~~and~~
8 ~~(e)~~] and by Sections 21.021, 21.022, 21.04, and 21.05, tangible
9 personal property is taxable by a taxing unit if:

10 (1) it is located in the unit on January 1 for more
11 than a temporary period;

12 (2) it normally is located in the unit, even though it
13 is outside the unit on January 1, if it is outside the unit only
14 temporarily;

15 (3) it normally is returned to the unit between uses
16 elsewhere and is not located in any one place for more than a
17 temporary period; or

18 (4) the owner resides (for property not used for
19 business purposes) or maintains the owner's principal place of
20 business in this state (for property used for business purposes) in
21 the unit and the property is taxable in this state but does not have
22 a taxable situs pursuant to Subdivisions (1) through (3) of this
23 subsection.

24 SECTION 2. Chapter 21, Tax Code, is amended by adding

1 Section 21.022 to read as follows:

2 Sec. 21.022. PORTABLE DRILLING RIGS. (a) In this section,
3 "portable drilling rig" includes equipment associated with the
4 drilling rig.

5 (b) A portable drilling rig designed for land-based oil or
6 gas drilling or exploration operations is considered to be located
7 on January 1 for more than a temporary period for purposes of
8 Section 21.02 in the taxing unit in which the drilling rig was
9 located during the preceding tax year. If the drilling rig was
10 located in more than one taxing unit during the preceding tax year,
11 the drilling rig is considered to be located for more than a
12 temporary period for purposes of Section 21.02 in the taxing unit in
13 which the drilling rig was located for the longest period during the
14 preceding tax year or for 30 days, whichever period is longer.

15 (c) If a portable drilling rig is not considered to be
16 located in any taxing unit on January 1 for more than a temporary
17 period under Subsection (b), the drilling rig is taxable as
18 provided by Sections 21.02(a)(2) through (4).

19 SECTION 3. Section 21.02(e), Tax Code, is repealed.

20 SECTION 4. This Act applies only to a tax year that begins
21 on or after the effective date of this Act.

22 SECTION 5. This Act takes effect January 1, 2008.