

By: Menendez

H.B. No. 2387

A BILL TO BE ENTITLED

AN ACT

relating to the ad valorem taxation of certain tangible personal property located inside a defense base development authority.

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

SECTION 1. Section 379B.011, Local Government Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) A commercial product that is in the process of being manufactured, assembled, or produced inside the authority is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02, Tax Code, if:

(1) the entity manufacturing, assembling, or producing the product is engaged in a business activity described by sectors 31 through 33 of the 2012 North American Industry Classification System (NAICS); and

(2) the product is eligible under guidelines and criteria established by the commissioners court of the county in which the authority is located under Section 312.002, Tax Code.

(d) Tangible personal property located inside the authority is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02, Tax Code, if the owner demonstrates to the chief appraiser for the appraisal district in which the authority is located that the owner intends to

1 incorporate the property into or attach the property to a
2 commercial product described by Subsection (c).

3 SECTION 2. The change in law made by this Act applies only
4 to ad valorem taxes imposed for a tax year beginning on or after the
5 effective date of this Act.

6 SECTION 3. This Act takes effect January 1, 2014.