

By: Morrison

H.B. No. 3108

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the exemption from ad valorem taxation of oil, natural  
3 gas, and other petroleum products held temporarily in this state  
4 for certain purposes.

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

6 SECTION 1. Sections 11.253(a)(2), (4), (5), and (6), Tax  
7 Code, are amended to read as follows:

8 (2) "Goods-in-transit" means tangible personal  
9 property that:

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

13 (B) is stored under a contract of bailment by a  
14 public warehouse operator at one or more public warehouse  
15 facilities in this state that are not in any way owned or controlled  
16 by the owner of the personal property for the account of the person  
17 who acquired or imported the property;

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

22 (D) does not include [~~oil, natural gas, petroleum~~  
23 ~~products,~~] aircraft, dealer's motor vehicle inventory, dealer's  
24 vessel and outboard motor inventory, dealer's heavy equipment

1 inventory, or retail manufactured housing inventory.

2 (4) [~~"Petroleum product" means a liquid or gaseous~~  
3 ~~material that is an immediate derivative of the refining of oil or~~  
4 ~~natural gas.~~

5 [~~(5)~~] "Bailee" and "warehouse" have the meanings  
6 assigned by Section 7.102, Business & Commerce Code.

7 (5) [~~(6)~~] "Public warehouse operator" means a person  
8 that:

9 (A) is both a bailee and a warehouse; and

10 (B) stores under a contract of bailment, at one  
11 or more public warehouse facilities, tangible personal property  
12 that is owned by other persons solely for the account of those  
13 persons and not for the operator's account.

14 SECTION 2. This Act applies only to ad valorem taxes imposed  
15 for a tax year beginning on or after the effective date of this Act.

16 SECTION 3. This Act takes effect January 1, 2014, but only  
17 if the constitutional amendment proposed by the 83rd Legislature,  
18 Regular Session, 2013, to provide oil, natural gas, and other  
19 petroleum products held temporarily in this state the same ad  
20 valorem tax-exempt status as is currently provided to other  
21 tangible personal property is approved by the voters. If that  
22 amendment is not approved by the voters, this Act has no effect.