

BILL ANALYSIS

Senate Research Center
76R8906 JD-D

S.J.R. 39
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Finance
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As Filed

DIGEST

Currently, Texas law does not provide an ad valorem taxation exemption to certain tangible personal property held temporarily for commercial purposes. Through recent trade liberalization, warehouses, which store the personal property, became a significant component of the distribution of goods between the United States, Canada, and Mexico. Removing the ad valorem tax on warehouses may allow for Texas warehouses to become more competitive with other states that do not impose a similar tax on the facilities. S.J.R. 39 would propose a constitutional amendment that exempts certain personal property from ad valorem taxation.

PURPOSE

As proposed, S.J.R. 39 requires the submission to the voters of a constitutional amendment to exempt certain personal property from ad valorem taxation.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article VIII, Texas Constitution, by adding Section 1-n, as follows:

Sec. 1-n. Exempts from ad valorem taxation certain tangible personal property held temporarily for assembling, manufacturing, processing, or other commercial purposes. Sets forth the types of property affected by this section. Authorizes the property owner to apply for the exemption. Provides that the owner is not entitled to receive the exemption authorized by Section 1-j of this article for the same property. Effective date: January 1, 2000. Provides that this subsection expires January 1, 2001.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 2, 1999. Sets forth the required language for the ballot.