

## **BILL ANALYSIS**

Senate Research Center

S.B. 1574  
By: Gallegos  
Intergovernmental Relations  
3/20/2001  
As Filed

### **DIGEST AND PURPOSE**

Current statutes place an ad valorem tax on coffee stored in Texas. As proposed, S.B. 1574 exempts green coffee and raw cocoa held in Harris County from ad valorem taxes in order to qualify Harris County as an exchange port for coffee on the New York Board of Trade.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 11B, Tax Code, by adding Section 11.33, as follows:

Sec. 11.33. RAW COCOA AND GREEN COFFEE HELD IN HARRIS COUNTY. (a)  
Entitles a person to an exemption from taxation of raw cocoa and green coffee that the person holds in Harris County.

(b) Provides that an exemption granted under this section, once allowed, need not be claimed in subsequent years, and the exemption applies to all raw cocoa and green coffee the person holds until the cocoa's or the coffee's qualification for the exemption changes. Authorizes the chief appraiser, however, to require a person who holds raw cocoa or green coffee for which an exemption in a prior year has been granted to file a new application to confirm the cocoa's or the coffee's current qualification for the exemption by delivering a written notice that a new application is required, accompanied by an appropriate application form, to the person.

SECTION 2. Effective date: January 1, 2002.

Makes application of this Act contingent on the approval of the voters of the proposed constitutional amendment allowing the legislature to exempt from ad valorem taxation raw cocoa and green coffee that is held in Harris County.