

ORDINANCE NO. 13-29

AN ORDINANCE OF THE CITY OF COMMERCE, COMMERCE, TEXAS, REPEALING ORDINANCE 07-19; REPEALING THE DENIAL OF THE EXEMPTION FROM AD VALOREM TAXATION OF FREEPORT GOODS AND TANGIBLE PERSONAL PROPERTY QUALIFYING AS FREEPORT GOODS; AND ENTERING INTO PILOT AGREEMENTS WITH EXISTING COMPANIES ELIGIBLE FOR FREEPORT GOODS EXEMPTION; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COMMERCE, TEXAS:

WHEREAS, ON November 7, 1989, Article VIII, Section 1 of the Texas Constitution was amended to add Section 1-j to provide for a local option exemption from ad valorem taxation of certain tangible personal property; and

WHEREAS, in order to implement the Constitutional provision, the Texas Legislature adopted Texas Tax Code Section 11.251, which provides for the exemption of certain taxable property from ad valorem taxation, i.e., "Freeport Goods", defined as goods, wares, ores and other tangible personal property that is acquired in or imported into the State of Texas, detained on the property for assembling, storing, manufacturing, processing or fabricating purposes, to be transported outside the State not later than 175 days of the date of import, (the meaning as assigned by Section 11.251 of the Tax Code and Article VIII, Section 1-j of the Texas Constitution prior to the passage of Texas House Bill 621 80)); and

WHEREAS, Article VIII, Section 1-j(b) provides that the City may take action to subsequently exempt Freeport Goods from taxation by rescinding it prior action to tax Freeport Goods; and

WHEREAS, the City of Commerce made the timely election to deny tax-exempt status to Freeport Goods pursuant to former Article VIII, Section 1-j(b)(2) by the adoption of Ordinance 07-19, which exercised the City's constitutional option to tax Freeport Goods; and

WHEREAS, the City Council now finds that it is in the best interest of the city to repeal the denial of the Freeport exemption, and thereby to grant the exemption for Freeport Goods with companies eligible for such exemption.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF COMMERCE THAT:

SECTION 1. Ordinance No 07-19 heretofore adopted and enacted by the City Council of the City of Commerce, Texas, be and is hereby repealed effective January 1, 2014. The exemption authorized in accordance with Section 11.251 of the Texas Property Tax Code, as amended, and Section 1-j of Article VIII of the Texas Constitution, for the tangible items of personal property defined therein is effective January 1, 2014.

SECTION 2. All ordinance of the City of Commerce in conflict with the provisions of this ordinance be and the same are hereby repealed and all other ordinances of the city of Commerce not in conflict with the provisions of the ordinance shall remain in full force and effect.

SECTION 3. The Mayor of the City of Commerce, Texas, be and is hereby authorized and directed to enter into a Payment In Lieu of Taxes (PILOT) agreement with existing eligible companies.

SECTION 4. Should any section, paragraph, sentence, subdivision, clause, phrase or provision of this ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this ordinance as a whole or any part or provision hereof other than the part so decided to be unconstitutional, illegal, or invalid and shall not affect the validity of the remainder of this ordinance or any other provision of the Code of Ordinance of the City of Commerce.

PASSED AND APPROVED on the first reading at a regular meeting of the City Council of the City of Commerce, Texas, on this the 19th day of November 2013.

PASSED AND APPROVED on the second reading at a regular meeting of the City Council of the City of Commerce, Texas, on this the 17th day of December 2013.

ATTEST

Marty Cunningham
Marty Cunningham
City Secretary

CITY OF COMMERCE

John Ballotti, Jr.
John Ballotti
Mayor

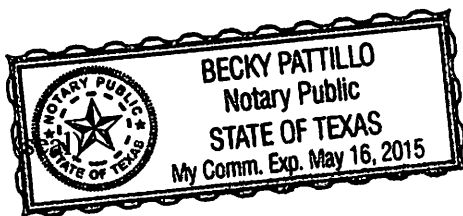
(seal)

I, Marty Cunningham, City Secretary of the City of Commerce, Texas, do hereby certify that the above is a true and correct copy of an Ordinance, and that the same has not been repealed and is in full force and effect.

Marty Cunningham
Marty Cunningham, City Secretary
City of Commerce

(seal)

Sworn to and subscribed before me, on this the 18th day of December, 2013, to certify which witness my hand and seal of office.



Becky Pattillo
Notary Public

ordinance/FreeportExemptionRevoke.121713