

**RESOLUTION & ORDER
OF THE COMMISSIONERS COURT OF WEBB COUNTY, TEXAS**

ADOPTED MONDAY, JANUARY 12, 2015

AMENDING THE STATE LEGISLATIVE AGENDA 2015

WHEREAS, the Webb County Commissioners Court has adopted a local policy that proposed legislation affecting county government should be brought before the Commissioners Court for consideration and possible action to adopt an official position; and

WHEREAS, the Webb County Commissioners Court desires to adopt an amendment to Webb County's 2015 Priority Legislative Agenda as adopted by the Court on December 8, 2014 to include additional matters of public interest for the enhancement of county government.

NOW, THEREFORE BE IT RESOLVED by the Webb County Commissioners Court that:


- I. The Webb County Commissioners Court hereby adopts the following amendment to be included in Webb County's State Legislative Agenda 2015:


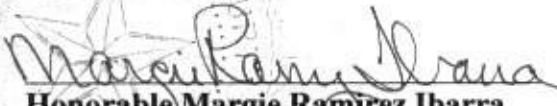
Clarify or restrict eligibility of property tax exclusions promulgated by Section 23.1241, Tax Code "Dealer's Heavy Equipment Inventory; Value".

- II. The Commissioners Court hereby directs the Legislative Affairs Committee to prepare the amendment for inclusion in the legislative agenda for submission to our state legislators; and
- III. Through this Resolution & Order, the Commissioners Court respectfully requests the support of our State Legislators to enact passage of the county's priority legislation for 2015.

On motion of **Commissioner John C. Galo**, seconded by **Commissioner Frank Sciaraffa**, duly put and carried, **THIS RESOLUTION & ORDER IS HEREBY ADOPTED** by the Webb County Commissioners Court, duly convened and acting in its capacity as governing body of Webb County, Texas on this **12th** day of **January, 2015**.


Honorable Tano E. Tijerina
Webb County Judge

APPROVED AS TO FORM:

Honorable Marco A. Montemayor
Webb County Attorney


ATTESTED:

Honorable Margie Ramirez Ibarra
Webb County Clerk



Webb County, Texas
State Legislative Agenda 2015
84th Texas Legislature

LOCAL GOVERNMENT: Clarify or restrict eligibility of property tax exclusions promulgated by Section 23.1241, Tax Code “Dealer’s Heavy Equipment Inventory; Value”

Proposal

Support legislative initiatives to eliminate abuses of the “Dealer’s Heavy Equipment Inventory; Value” promulgated by Section 23.1241, Tax Code to ensure such exceptions are constitutional, equitable, and do not result in an undue burden to local property taxpayers or local governments whose budgets are primarily restricted to property tax revenue streams.

Background

In response to court decision *Briggs Equip. Trust v. Harris County Appraisal District*, 294 S.W. 3d 667 (Tex. App. Houston 1st Dist., 2009)], the 82nd Legislature (Regular Session) enacted through HB 2476 amendments to the definitions of Section 23.1241, Tax Code to include leasing and rental of heavy equipment in an effort to end the possibility of multiple rentals during a year being treated as multiple sales – which resulted in reduced tax revenues since subsequent sales were deducted in the market value calculation.

An unintended consequence of the 2011 amendment however, was a trend by business entities to reclassify themselves or create subsidiaries as “dealers” of heavy equipment to take advantage of the significant property tax reductions oftentimes claimed through artificial leasing of equipment. Even banks and financial institutions were utilizing such tactics for repossessed equipment. In response to such trends as well as litigation by taxing entities and chief appraisers, the 83rd Legislature (Regular Session) through HB 826 further amended the statute’s definitions to provide that the term of heavy equipment dealer did not include a bank, savings bank, savings and loan association, credit union, or other finance company. Unfortunately, the HB 826 amendment did not include other business entities nor establish a succinct definition of “dealer” and thus, litigation persisted across the state relating to the statute’s interpretation.

Legislative intervention is needed to provide clarity, restrict eligibility, and eliminate abuses of the tax exclusions promulgated by Sec. 23.1241, Tax Code. Webb County urges support for legislative initiatives that ensure the provisions of Sec. 23.1241, Tax Code are constitutional, uniform, equitable, and do not result in an undue tax burden to other property taxpayers.

Contacts

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