



**AGENDA PLACEMENT MEMORANDUM**

**TO:** Denton County Commissioners Court  
**FROM:** Claire Yancey, Assistant District Attorney  
**DATE:** March 6, 2014

**SUBJECT:** Discussion and Order adopting the extension of the Freeport Tax Exemption for "Aircraft Parts" pursuant to Section 11.251 of the Texas Tax Code, as Amended, and any appropriate action.

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**BACKGROUND:** Article VIII of the Texas Constitution and Section 11.251 of the Texas Tax Code allows for a "Freeport Exemption" on goods, wares, merchandise, other tangible personal property, and ores, other than oil, natural gas, and other petroleum products, if they meet certain criteria. On December 18, 1989, in Minute Order No. 12-89-105, the Denton County Commissioners Court, in a special session, determined that it was in the best interest of the County to adopt the "Freeport Exemption" as approved by Texas voters on November 7, 1989.

The 83rd Texas Legislature, in its Regular Session, enacted House Bill 3121, amending Section 11.251 of the Texas Tax Code, and Texas voters passed a constitutional amendment effective on January 1, 2014, extending, in part, the date by which Freeport goods that are "aircraft parts" would have to be transported outside of the state once imported or acquired. Section 11.251(l) of the Texas Tax Code, as amended, provides, in part, that the governing body of a taxing unit, in the manner provided by law for official action, may extend the date by which Freeport goods that are "aircraft parts" must be transported outside the state to a date not later than the 730th day after the date the person acquired or imported the property in this state.

The purpose of this item is for this Court to determine if it is in the best interest of the County to adopt the extension of the "Freeport Exemption" for "aircraft parts" as defined in Section 11.251(l) of the Texas Tax Code, as amended, effective on January 1, 2014.

**OPERATIONS AND MAINTENANCE:** Not applicable

**LEGAL INFORMATION:** See Background.

**FINANCIAL IMPACT:** Not applicable

**PROJECT SCHEDULE:** If adopted, the extension is effective January 1, 2014.

**PRECEDING COURT ACTION:** On December 18, 1989, under Minute Order No. 12-89-105 this Court adopted the "Freeport Exemption" as approved by Texas voters on November 7, 1989.

ORDER NO. \_\_\_\_\_

**AN ORDER OF DENTON COUNTY TO EXTEND  
THE FREEPORT TAX EXEMPTION FOR "AIRCRAFT PARTS"  
PURSUANT TO SECTION 11.251 OF THE TEXAS TAX CODE, AS AMENDED**

**WHEREAS**, on November 7, 1989, the voters of the State of Texas passed constitutional amendment SJR 11 which added, in pertinent part, Section 1-j to Article VIII of the Texas Constitution allowing for a "Freeport Exemption" on goods, wares, merchandise, other tangible personal property, and ores, other than oil, natural gas, and other petroleum products, if they met certain criteria; and

**WHEREAS**, on December 18, 1989, in Minute Order No. 12-89-105, the Commissioners Court of Denton County, Texas, in a special session determined that it was in the best interest of the County to adopt the "Freeport Exemption" as approved by the voters of the State of Texas on November 7, 1989; and

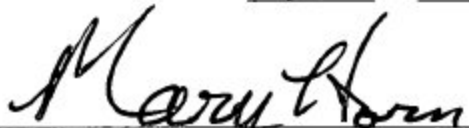
**WHEREAS**, the 83rd Texas Legislature, in its Regular Session, enacted House Bill 3121, amending Section 11.251 of the Texas Tax Code, and voters of the State of Texas passed a constitutional amendment to become effective on January 1, 2014, extending, in pertinent part, the date by which Freeport goods that are "aircraft parts" would have to be transported outside of the state once imported or acquired; and

**WHEREAS**, Section 11.251(l) of the Texas Tax Code, as amended, provides, in pertinent part, that the governing body of a taxing unit, in the manner provided by law for official action, may extend the date by which Freeport goods that are "aircraft parts" must be transported outside the state to a date not later than the 730th day after the date the person acquired or imported the property in this state; and

**WHEREAS**, the Commissioners Court of Denton County, Texas, is of the opinion that it is in the best interest of the County to adopt the extension of the "Freeport Exemption" for "aircraft parts" as defined in Section 11.251(l) of the Texas Tax Code, as amended, effective on January 1, 2014; and

**NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF DENTON COUNTY, TEXAS, THAT:** the "Freeport Exemption" for "aircraft parts" as defined by Section 11.251(l) of the Texas Tax Code, as amended, shall be extended by Denton County, Texas, effective on and after January 1, 2014.

DATED this 11<sup>th</sup> of March 2014.



Mary Horn  
Denton County Judge

*Hugh Coleman*

Hugh Coleman  
Commissioner Precinct 1

*Bobbie Mitchell*

Bobbie Mitchell  
Commissioners Precinct 3

*Ron Marchant*

Ron Marchant  
Commissioner Precinct 2

*Andy Eads*

Andy Eads  
Commissioner Precinct 4

ATTEST:

*[Signature]*

County Clerk  
Denton County, Texas



APPROVED as to form:

*Claire Yancy*

Assistant District Attorney

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# Denton County

Courthouse-on-the-Square  
110 West Hickory Street  
Denton, Texas 76201

## Request for Agenda Placement and Approval Flow

**Drafter:** jennifer.stout@dentoncounty.com

**Requested Agenda Date:** 03/11/2014

**Department:** Legal

**Grouping:** Legal

**Short Title:** Freeport Exemption - aircraft parts

**Agenda Number:** 14. A.

### Specific Agenda Wording

Discussion and Order adopting the extension of the Freeport Tax Exemption for "Aircraft Parts" pursuant to Section 11.251 of the Texas Tax Code, as Amended, and any appropriate action.

### Approval History

Version	Date	Approver	Action
1	03/06/2014	Kate Lyness	Approve