

By: Hill

H.B. No. 3016

Substitute the following for H.B. No. 3016:

By: Hamilton

C.S.H.B. No. 3016

A BILL TO BE ENTITLED

AN ACT

relating to the determination of the market value of certain drug supplies for ad valorem property tax purposes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 23.12, Tax Code, is amended by adding Subsection (h) to read as follows:

(h) In determining the market value of drug supplies held in surplus, the chief appraiser shall exclude as economic obsolescence from the market value cost attributable to "drug supplies held in surplus" that are in excess of the amount of drugs held for normal market purposes. "Drug supplies held in surplus" consist of drugs or medicines as defined by Section 151.313 that are owned by the holder of a license for the wholesale distribution of drugs under Chapter 431, Health and Safety Code, excluding pharmaceutical drug manufacturers, retail pharmacies, or chain pharmacies, and are held for less than 60 days, for response to public health demands, emergency treatment, or similar health care needs. In calculating the number of days "drug supplies held in surplus" are held in inventory, a wholesale distributor of drugs will quantify for appraisal rendition purposes the average days of "cycle stock" inventory held to meet normal customer demand and will subtract the average days of "cycle stock" inventory from "total pharmaceutical drug inventory."

SECTION 2. This Act takes effect January 1, 2006.