

**SPECIAL MEETING OF THE BOARD OF TRUSTEES
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
AND RICHLAND COLLEGIATE HIGH SCHOOL**

R.L. Thornton, Jr. Administration Building

701 Elm Street

Dallas, TX 75202

Board Room (4th floor)

Tuesday, December 18, 2007

4:00 PM

AGENDA

- I. Certification of Posting of Notice of the Meeting
- II. Public Hearing on Resolution to Tax Goods-in-Transit
- III. Citizens Desiring to Address the Board Regarding Agenda Items
- IV. Declaration of Conflict of Interest
- V. Individual Items
 1. Adoption of Resolution to Tax Goods-in-Transit
 2. Approval of Audited Annual Financial Statements
 3. Approval of Purchase of Land from the City of Garland
- VI. Questions/Comments from the Board and Chancellor
- VII. Citizens Desiring to Appear Before the Board
- VIII. Executive Session: The Board may conduct an executive session as authorized under §551.074 of the Texas Government Code to deliberate on personnel matters, including any prospective employee who is noted in Employment of Contractual Personnel.

As provided by §551.072 of the Texas Government Code, the Board of Trustees may conduct an executive session to deliberate regarding real property since open deliberation would have a detrimental effect upon negotiations with a third person.

The Board may conduct an executive session under §551.071 of the Texas Government Code to seek the advice of its attorney and/or on a matter in which the duty of the attorneys under the Rules of Professional Conduct clearly conflict with the Open Meetings Act. The Board may seek or receive

its attorney's advice on other legal matters during this executive session.

IX. Adjournment of Special Meeting

**CERTIFICATION OF POSTING OF NOTICE DECEMBER 18, 2007
SPECIAL MEETING OF THE
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
AND RICHLAND COLLEGIATE HIGH SCHOOL
BOARD OF TRUSTEES**

I, Wright L. Lassiter, Jr., Secretary of the Board of Trustees of the Dallas County Community College District, do certify that a copy of this notice was posted on the 14th day of December, 2007, in a place convenient to the public in the R.L. Thornton, Jr. Administration Building, and a copy of this notice was provided on the 14th day of December, 2007, to John F. Warren, County Clerk of Dallas County, Texas, and the notice was posted on the bulletin board at the Frank Crowley Courts Building, all as required by the Texas Government Code, §551.054.



Wright L. Lassiter, Jr., Secretary

II. Public Hearing on Resolution to Tax Goods-in-Transit

During the meeting on December 18, 2007, the Board of Trustees will hold a public hearing for persons who desire to speak on the proposed resolution to tax goods-in-transit defined in Section 11.253 of the Texas Tax Code. The Planning & Budget Committee of the Board of Trustees reviewed the proposed resolution in a public meeting held November 20, 2007. The public hearing is being held as required by Section 1-n (d), Article VIII of the Texas Constitution prior to any action being taken by the full board.

Background

Section 1-n (d), Article VIII of the Texas Constitution provides the following:

The governing body of a political subdivision that imposes ad valorem taxes may provide for the taxation of property exempt under a law adopted under Subsection (a) of this section and not exempt from ad valorem taxation by any other law. Before acting to tax the exempt property, the governing body of the political subdivision must conduct a public hearing at which members of the public are permitted to speak for or against the taxation of the property.

The public hearing to discuss the proposed resolution shall be conducted as follows:

1. The Board Chairperson shall request at the beginning of the meeting that all persons who desire to speak on the proposed resolution sign up on the sheet provided.
2. Prior to the beginning of the hearing, the Board may establish time limits for speakers.
3. Speakers shall confine their remarks to comments for or against the taxation of goods-in-transit as provided in the resolution.
4. No officer or employee of the District shall be required to respond to questions from speakers at the meeting.

Based on figures provided by the Dallas Central Appraisal District, the amount of potentially lost ad valorem tax revenue is estimated to be \$2.8 million for 2008 if goods-in-transit are exempted from taxation. The resolution, if passed, would require taxation on goods-in-transit that would otherwise be exempt under Section 11.253 of the Texas Tax Code.

Submitted by Mr. Edward DesPlas, vice chancellor of business affairs

IV. Declaration of Conflict of Interest

Any Board member who recognizes potential conflicts of interest associated with items on this agenda should state them at this time.

Background

House Bill 914 added Chapter 176 to the Local Government Code and took effect January 1, 2006. Chapter 176 provides that local government officers, such as DCCCD's chancellor and board of trustees, shall file conflict disclosure statements in certain defined circumstances. It also provides that persons contracting or desiring to contract with DCCCD shall file conflict of interest questionnaires.

Local government officers, persons contracting and persons desiring to contract are required to file information on forms approved by the Texas Ethics Commission. See http://www.ethics.state.tx.us/whatsnew/conflict_forms.htm for current versions of each form. The forms must be submitted to DCCCD records administrator, Vice Chancellor Edward M. DesPlas.

The penalty for violating Chapter 176 accrues to the individual who failed to file a disclosure, not to DCCCD.

POLICY REPORT NO. 1

Adoption of Resolution of the Dallas County Community College District Board of Trustees to Tax Goods-in-transit Otherwise Exempted by Texas Tax Code Section 11.253

It is recommended that the Board of Trustees of the Dallas County Community College District adopt the attached resolution to continue to tax goods-in-transit in the tax year 2008 and thereafter.

Background

The 80th Session (Regular) of the Texas Legislature adopted House Bill 621 adding Section 11.253 to the Texas Tax Code. This new law allows for an exemption from taxation of goods-in-transit, with certain exceptions, if they are “transported to another location in this state or outside this state not later than 175 days after the date the person acquired the property in or imported the property into this state.” The new law further stipulates that the property be “detained at a location in this state in which the owner of the property does not have a direct or indirect ownership interest for assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported the property.”

Under the new Tax Code 11.253 the board may provide for taxation of goods-in-transit by taking official action prior to January 1, 2008. If no action is taken by that time, qualifying goods-in-transit will be exempt from taxation. Per Section 11.253(j) an action now to tax the goods-in-transit described in Section 11.253 can be rescinded or repealed at a later date if the board so decides. As required by Section 1-n (d), Article VIII of the Texas Constitution, the board held a public hearing on December 4, 2007 to allow citizens to speak on this issue.

The Dallas Central Appraisal District (DCAD) has estimated the value of property subject to this exemption for 2008, based on 2007 property values, to be \$3,480,775,042. At the District’s current tax rate of \$0.0759 per \$100 valuation for maintenance and operations (M&O) and \$0.0045 per \$100 valuation for interest and sinking tax (I&S), an estimated \$2.64 million and \$0.16 million, respectively, or a total of \$2.8 million of ad valorem tax revenue could potentially be lost for 2008 if the board takes no action.

Because it is unclear as to whether a “direct or indirect ownership interest” is intended to apply to a location where the goods-in-transit are detained that is leased, the amount of potentially lost revenue could increase in future years if large retailers, who currently maintain inventory in their own warehouses, sell their warehouses, lease them back from new owners and then apply for the

exemption.

Submitted by Mr. Robert Young, district legal counsel and Mr. Edward DesPlas, vice chancellor of business affairs

RESOLUTION OF THE BOARD OF TRUSTEES
OF THE DALLAS COUNTY COMMUNITY COLLEGE DISTRICT

WHEREAS, the 80th Texas Legislature in Regular Session has enacted House Bill 621 to take effect on January 1, 2008, which would amend Texas Tax Code Section 11.253 to exempt from property taxation certain tangible personal property goods-in-transit, which property has been subject to taxation in the past; and

WHEREAS, the Board of Trustees of the Dallas County Community College District desires to maintain and preserve the quality of education throughout the District in the face of ever-increasing state mandates without adequate funding; and

WHEREAS, the Board of Trustees of the Dallas County Community College District desires to both prevent the erosion of its tax base and preserve the District's right to continue to tax goods-in-transit as covered by Section 11.235 of the Texas Tax Code, and

WHEREAS, Texas Tax Code Section 11.253(j) allows the governing body of a taxing unit, after conducting a public hearing, to provide for the continued taxation of such goods-in-transit; and

WHEREAS, the Board of Trustees of the Dallas County Community College District, having conducted a public hearing as required by Section 1-n (d), Article VIII, Texas Constitution, is of the opinion that it is in the best interests of the District to continue to tax such goods-in-transit;

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES
OF THE DALLAS COUNTY COMMUNITY COLLEGE DISTRICT:**

Section 1. That the Board of Trustees hereby states and declares its intention to continue to tax to the maximum extent authorized by law all goods-in-transit as defined by Texas Tax Code 11.253(a)(2) for the tax year 2008 and every year thereafter until and unless such intent is otherwise rescinded.

Section 2. That the Board of Trustees hereby directs that a copy of this Resolution shall be made available for inspection by the public during normal business hours at the District's central administrative offices from this date forward.

This resolution is effective from and immediately upon its adoption.

Jerry Prater, Chair
Board of Trustees
Dallas County Community College District

Wright L. Lassiter, Jr., Secretary
Board of Trustees
Dallas County Community College District

THE STATE OF TEXAS

COUNTY OF DALLAS

We, the undersigned, Chairman of the Board of Trustees and Secretary of the Board of Trustees of the Dallas County Community College District, do hereby certify that the attached is a true, full and correct copy of the resolution adopted by the Board of Trustees of said District on the eighteenth day of December, 2007, establishing the District's right to tax goods-in-transit in the tax year 2008 and thereafter, which resolution is of record in said minutes.

WITNESSETH MY HAND AND SEAL of said District the eighteenth day of December 2007.

Jerry Prater, Chairman
Board of Trustees
Dallas County Community College District

Wright L. Lassiter, Jr., Secretary
Board of Trustees
Dallas County Community College District

(S E A L)

THE STATE OF TEXAS

COUNTY OF DALLAS

Before me, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Jerry Prater and Wright L. Lassiter, Jr., known to me to be the true persons and officers whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed, and in the capacity therein stated, and declared to me upon oath that the foregoing instrument is true and correct.

GIVEN UNDER MY HAND AND SEAL of office this eighteenth fourth day of December, 2007.

Notary Public: _____

My Commission Expires: _____

POLICY REPORT NO. 2

Approval of Audited Annual Financial Statements

It is recommended that the Board of Trustees accept the audited annual financial statements.

FINANCIAL REPORT NO. 3

Approval of Purchase of Land from the City of Garland

It is recommended that authorization be given to approve the purchase of 3.8 acres located at 675 W. Walnut Street from the City of Garland in an amount not to exceed \$632,245 for additional land for the Richland College Community Campus.

Background

The District has developed plans for the construction of the Richland College Community Campus in Garland. This addition to the original 20.5 acres will give a combined acreage of 24.3.

The District has negotiated the price for the property based on an appraisal of value commissioned by the City. The District also commissioned an appraisal for confirmation of the value. After certain deductions for future road extensions, the value was adjusted to arrive at the sales price. The value is deemed to be fair. The City, in connection with the purchase, has agreed to provide title insurance and appropriate surveys. This transaction is being accomplished by a deed transfer and will not be processed through a purchase contract. No closing costs or commissions will be paid.

Purchase of this property completes the immediate plans for all land acquisition.

Estimated expenditures are \$2.75 per square foot. Financial resources from the capital improvement funds are budgeted in account # 40-08-970808-27201.

Submitted by Mr. Edward DesPlas, vice chancellor of business affairs