

RESOLUTION AUTHORIZING TAXATION OF GOODS IN TRANSIT
UNDER SECTION 11.253(j), TAX CODE

WHEREAS, Harris County Municipal Utility District No. 136 (the "District") is a taxing unit under Section 11.253, Texas Tax Code; and

WHEREAS, the District has conducted a public hearing in the manner required by Section 1-n(d), Article VIII of the Texas Constituion, at which members of the public were permitted to speak for or against the taxation of goods in transit exempt under Section 11.253(b) of the Texas Tax Code and not exempt under other law; and

WHEREAS, Section 11.253(j), Texas Tax Code, authorizes the governing body of a taxing unit, in the manner required for official action by the governing body and following a public hearing, to provide for the taxation of goods in transit exempt under 11.253(b) of the Texas Tax Code and not exempt under other law;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District that:

(1) the District hereby elects to exercise its right to tax goods in transit which are exempt under Section 11.253(j), Texas Tax Code, and not exempt under other law; and

(2) the goods in transit shall remain subject to taxation by the District until the Board, in the manner required for official action, rescinds or repeals this action or otherwise determines that the exemption prescribed by Section 11.253(b), Texas Tax Code, will apply to the District.

PASSED AND APPROVED this _____ day of _____, 2007.

President, Harris County Municipal
Utility District No. 136