
Dallas Fort Worth International Airport Board Grantee, Foreign-Trade Zone No. 39

Procedures for Contacting Tax Authorities

The US Foreign Trade Zones Board (FTZB) is a federal interagency board responsible for managing the US Foreign Trade Zones (FTZ) program. It is staffed by Department of Commerce personnel. The FTZB approves expansions of FTZs based on a public interest determination. Because inventory which has been imported into a FTZ or is held in an FTZ for export is exempt from local property tax by federal law, the views of tax authorities are important in making a public interest determination.

The DFW International Airport Board is the primary sponsor for FTZ projects in North Texas, and as such is the entity that submits applications to the FTZB on behalf of North Texas business desiring FTZ status. Prior to the submission of any application to the FTZB to designate a FTZ site outside of the DFW International Airport boundaries, the following procedure must be followed:

1. The proposed FTZ user must obtain a written concurrence from each city, county, and school district with taxing authority over the proposed FTZ site. The concurrence may be either in the form of a letter substantially in the format as the samples published by DFW staff, or by resolution with the accompanying documentation indicating that the authority understands the tax consequences of FTZ designation.
2. To the extent a taxing authority is providing a response applicable to other authorities (for example, a county providing concurrence for itself and a hospital district, or a city providing concurrence for itself and a public improvement district), the letter, resolution, or related correspondence should indicate the scope of the action taken.
3. The proposed user must also notify DFW of the existence of any conditions imposed by a city or a county on the concurrence provided, and provide to DFW any written description of those conditions. If, for example, a city requires a proposed FTZ user to enter into an agreement to make payments in lieu of tax in order to obtain a concurrence, a copy of that agreement must be provided to DFW.

4. Upon receipt of the concurrence of the applicable city and county, DFW will provide notification to each additional taxing jurisdiction (other than the city, county, and school district) which may assess property tax on inventory located on the proposed FTZ site. The notification will describe the proposed FTZ site and tax consequences of the approval of FTZ status. In addition, the notice will state that the city and county have provided unconditional concurrence for the project, or if the project is subject to conditions, the conditions will be explained in the notice. If conditions are applicable, the proposed FTZ user must agree to allow each other taxing authority to provide concurrence subject to the same conditions if it so elects. If the conditions are specified in a payment in lieu of tax agreement, for example, the proposed FTZ user will allow each other taxing authority to become a party to the payment in lieu of tax agreement under the same terms and conditions as are applicable to the city or county which imposed the conditions.
5. When a city and county have provided unconditional support, DFW will provide each other taxing authority thirty (30) days to express any concern with the proposed application. To the extent that no concerns are expressed within thirty (30) days, DFW will submit the application to the FTZB.
6. If support of the city or county is conditional, DFW will provide each other taxing authority forty-five (45) days to elect to opt into any agreement specifying conditions, or to express further concerns to DFW. To the extent no further concerns are expressed, DFW will submit the application to the FTZB.
7. If any taxing authority expresses a concern about the proposed FTZ project, DFW will ask the prospective FTZ user to contact the taxing authority to resolve any concerns. With notification from the taxing authority that it is satisfied with the explanations provided, DFW will submit an application to the FTZB. If the parties are unable to resolve the concern, DFW will consult with the FTZB staff to determine the appropriate course of action, and provide both parties with notice of the decision on whether or not to proceed with the FTZ application.