

By: Watson

S.B. No. 1526

A BILL TO BE ENTITLED

AN ACT

relating to a county sales and use tax in certain counties for transportation improvement projects; authorizing the imposition of a tax.

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

SECTION 1. Subtitle C, Title 3, Tax Code, is amended by adding Chapter 329 to read as follows:

CHAPTER 329. COUNTY SALES AND USE TAX FOR TRANSPORTATION

IMPROVEMENT PROJECTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 329.0001. DEFINITIONS. In this chapter:

(1) "Advanced rapid transit" means high-capacity transit provided wholly or partly in dedicated lanes with stations, off-vehicle fare collection, and branded vehicles connected using vehicle-to-vehicle or other technology controlled by an in-vehicle or remote driver or autonomous technology.

(2) "Transit system" has the meaning assigned by Section 370.003, Transportation Code.

(3) "Transportation improvement project" means a capital improvement or set of related capital improvements in a geographic area, including purchase, construction, maintenance, and operation of the improvements, designed to relieve traffic congestion, increase mobility and the movement of traffic or individuals, expand transportation capacity, or promote traffic or

1 pedestrian safety. The term includes:

2 (A) advanced rapid transit systems and related  
3 infrastructure;

4 (B) transit systems and related infrastructure;

5 (C) local and regional transit services systems;

6 (D) maintenance facilities;

7 (E) transit vehicles;

8 (F) streets, roadways, highways, and additional  
9 roadway or highway lanes, such as turning lanes and managed or high  
10 occupancy vehicle lanes; and

11 (G) bridges, tunnels, interchanges, overpasses,  
12 underpasses, service roads, ramps, entrance plazas, and parking  
13 areas or structures.

14 Sec. 329.0002. COUNTY SALES AND USE TAX ACT APPLICABLE. (a)  
15 Except to the extent that a provision of this chapter applies,  
16 Chapter 323 applies to the tax authorized by this chapter in the  
17 same manner as that chapter applies to the tax authorized by that  
18 chapter.

19 (b) Section 323.101 does not apply to this chapter.

20 Sec. 329.0003. APPLICABILITY. This chapter applies only to  
21 a county that has a population of one million or more.

22 Sec. 329.0004. EFFECT ON COMBINED LOCAL TAX RATE. The rate  
23 of a local sales and use tax imposed under this chapter may not be  
24 considered for purposes of determining the combined local tax rate  
25 in any area.

26 SUBCHAPTER B. IMPOSITION OF TAX

27 Sec. 329.0021. TAX AUTHORIZED. A county may adopt the sales

1 and use tax authorized by this chapter at an election held in the  
2 county.

3 Sec. 329.0022. TAX RATE. The tax authorized by this chapter  
4 may be imposed at the rate of one-eighth, one-fourth,  
5 three-eighths, one-half, five-eighths, three-fourths, or  
6 seven-eighths of one percent or one percent.

7 Sec. 329.0023. SALES AND USE TAX EFFECTIVE DATE. (a) The  
8 tax authorized by this chapter takes effect on the first day of the  
9 first calendar quarter occurring after the expiration of the first  
10 complete calendar quarter occurring after the date on which the  
11 comptroller receives a notice of the results of the election.

12 (b) If the comptroller determines that an effective date  
13 provided by Subsection (a) will occur before the comptroller can  
14 reasonably take the action required to begin collecting the tax,  
15 the effective date may be extended by the comptroller until the  
16 first day of the next succeeding calendar quarter.

17 SUBCHAPTER C. TAX ELECTION PROCEDURES

18 Sec. 329.0051. ELECTION PROCEDURE. (a) An election to  
19 adopt the tax authorized by this chapter is called by the adoption  
20 of an order by the commissioners court of the county. The  
21 commissioners court shall call an election if a number of qualified  
22 voters of the county equal to at least 10 percent of the total  
23 number of votes cast in the county for all candidates for governor  
24 in the most recent gubernatorial general election petitions the  
25 commissioners court to call the election.

26 (b) An election called under this section must be held on  
27 the uniform election date in November.

1       Sec. 329.0052. SUBSEQUENT ELECTIONS. (a) This section  
2 applies only to a county in which the majority of voters did not  
3 approve the imposition of a county sales and use tax at an election  
4 held under Section 329.0051.

5       (b) The commissioners court by order may call a subsequent  
6 election to impose the sales and use tax authorized under this  
7 chapter using the procedures described by this chapter.

8       (c) The commissioners court of a county may not call a  
9 subsequent election under this section before the second  
10 anniversary of a previously held election.

11       Sec. 329.0053. BALLOT LANGUAGE. The ballot at an election  
12 held under this chapter must be prepared to permit voting for or  
13 against the proposition: "The adoption of a local sales and use tax  
14 in (insert name of county) at the rate of (insert appropriate rate)  
15 to provide revenue for the following types of transportation  
16 improvement projects: (insert a general description of each type of  
17 transportation improvement project for which local sales and use  
18 tax revenue will be used)."

19       Sec. 329.0054. EXPIRATION OF TAX; REAUTHORIZATION. (a)  
20 Unless imposition of the sales and use tax authorized by this  
21 chapter is reauthorized as provided by this section, the tax  
22 expires on:

23               (1) the 30th anniversary of the date the tax  
24 originally took effect under Section 329.0023; or

25               (2) the first day of the first calendar quarter  
26 occurring after the 30th anniversary of the date the tax was last  
27 reauthorized under this section.

1       (b) An election to reauthorize the tax is called and held in  
2 the same manner as an election to adopt the tax under Section  
3 329.0051, except the ballot proposition shall be prepared to permit  
4 voting for or against the proposition: "The reauthorization of the  
5 local sales and use tax in (name of county) at the rate of (insert  
6 appropriate rate) to provide revenue for the following types of  
7 transportation improvement projects: (insert a general description  
8 of each type of transportation improvement project for which the  
9 reauthorized local sales and use tax will be used)." An election to  
10 reauthorize the tax may not be called before the period beginning  
11 four years before the date on which the tax expires as provided by  
12 Subsection (a)(1).

13       (c) If an election to reauthorize the tax is not held before  
14 the tax expires as provided by Subsection (a), or if a majority of  
15 the votes cast in an election to reauthorize the tax do not favor  
16 reauthorization, the county may not call an election on the  
17 question of authorizing a new tax under this chapter before the  
18 second anniversary of the date on which the tax expired.

19       (d) Not later than the 10th day after the date the county  
20 determines that the tax will expire as provided by Subsection (a),  
21 the county shall notify the comptroller of the scheduled  
22 expiration. The comptroller may delay the scheduled expiration date  
23 if the comptroller notifies the county that more time is required.  
24 The comptroller must provide a new expiration date that is not  
25 later than the last day of the first calendar quarter occurring  
26 after the notification to the comptroller.

27                               SUBCHAPTER D. USE OF TAX REVENUE

1       Sec. 329.0071. USE OF TAX REVENUE. Revenue from the tax  
2 imposed under this chapter may be used only to provide funding for  
3 transportation improvement projects in the county, provided that  
4 not more than 25 percent of the revenue may be used for a project  
5 described by Sections 329.0001(3)(F) and (G).

6       SECTION 2. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2019.