

By: Schwertner

S.B. No. 2435

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the imposition of sales and use tax after a municipality
3 annexes an area in an emergency services district.

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

5 SECTION 1. Subchapter E, Chapter 775, Health and Safety
6 Code, is amended by adding Section 775.0755 to read as follows:

7 Sec. 775.0755. SALES AND USE TAX AFTER CERTAIN ANNEXATIONS.

8 (a) This section applies when:

9 (1) a municipality annexes for full purposes part of a
10 district that imposes a sales and use tax;

11 (2) the annexed area is not removed from the district;

12 and

13 (3) the municipality intends to be the sole provider
14 of emergency services to the area.

15 (b) Section 321.102(f), Tax Code, does not apply to a
16 reduction of the tax rate of the district required by Section
17 321.102(e) of that code.

18 (c) If an election is required for the annexation under
19 Chapter 43, Local Government Code, the ballot must include the
20 following language: "If the annexation is approved, a portion of
21 the sales and use tax previously collected by_____ (insert name
22 of the district) will instead be collected by_____ (insert name
23 of the municipality)."

24 SECTION 2. This Act takes effect September 1, 2023.