

By: Reynolds

H.B. No. 4248

A BILL TO BE ENTITLED

AN ACT

relating to the authority to impose municipal sales and use taxes;
authorizing an increase in the rate of a tax.

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

SECTION 1. Section [321.101](#), Tax Code, is amended by
amending Subsections (b) and (f) and adding Subsection (f-1) to
read as follows:

(b) A municipality that is not disqualified may, by a
majority vote of the qualified voters of the municipality voting at
an election held for that purpose, adopt an additional sales and use
tax for the benefit of the municipality in accordance with this
chapter. A municipality is disqualified from adopting the
additional sales and use tax if the municipality:

(1) is included within the boundaries of a rapid
transit authority created under Chapter [451](#), Transportation Code;

(2) is included within the boundaries of a regional
transportation authority created under Chapter [452](#), Transportation
Code, by a principal municipality having a population of less than
1.1 million according to the most recent federal decennial census,
unless the municipality has a population of 400,000 or more and is
located in more than one county;

(3) is wholly or partly located in a county that
contains territory within the boundaries of a regional
transportation authority created under Chapter [452](#), Transportation

Code, by a principal municipality having a population in excess of 1.1 million according to the most recent federal decennial census, unless:

(A) the municipality is a contiguous municipality; ~~[or]~~

(B) the municipality is not included within the boundaries of the authority and is located wholly or partly in a county in which fewer than 250 persons are residents of both the county and the authority according to the most recent federal census; ~~[or]~~

(C) the municipality is not and on January 1, 1993, was not included within the boundaries of the authority; or

(D) the municipality:

(i) has a population of more than 70,000;
and

(ii) is located in two counties, with 90 percent of the municipality's territory located in a county with a population of more than 800,000 and the remaining territory located in a county with a population of more than four million; or

(4) imposes a tax authorized by Chapter 453, Transportation Code.

(f) Subject to Subsection (f-1), a ~~[A]~~ municipality may not adopt or increase a sales and use tax or an additional sales and use tax under this section if as a result of the adoption or increase of the tax the combined rate of all sales and use taxes imposed by the municipality and other political subdivisions of this state having territory in the municipality would exceed two percent at any

1 location in the municipality.

2 (f-1) A municipality described by Subsection (b)(3)(D) may
3 not adopt or increase a sales and use tax or an additional sales and
4 use tax under this section if as a result of the adoption or
5 increase of the tax the combined rate of all sales and use taxes
6 imposed by the municipality and other political subdivisions of
7 this state having territory in the municipality would exceed three
8 percent at any location in the municipality.

9 SECTION 2. This Act takes effect September 1, 2025.