

By: Menéndez

S.B. No. 178

A BILL TO BE ENTITLED

AN ACT

relating to the permissible uses of revenue attributable to the municipal sales and use tax for street maintenance.

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

SECTION 1. Section 327.006(b), Tax Code, is amended to read as follows:

(b) At an election to adopt the tax, the ballot shall be prepared to permit voting for or against the proposition: "The adoption of a local sales and use tax in (name of municipality) at the rate of (insert appropriate rate) to provide revenue for maintenance, ~~and~~ repair, and reconstruction of municipal streets or sidewalks."

SECTION 2. Section 327.0065(c), Tax Code, is amended to read as follows:

(c) The ballot for an election to increase the tax shall be printed to permit voting for or against the proposition: "The adoption of a local sales and use tax in (name of municipality) at the rate of (insert appropriate rate) to provide revenue for maintenance, ~~and~~ repair, and reconstruction of municipal streets or sidewalks."

SECTION 3. Section 327.007(b), Tax Code, is amended to read as follows:

(b) An election to reauthorize the tax is called and held in the same manner as an election to adopt the tax under Section

1 327.006, except the ballot proposition shall be prepared to permit
2 voting for or against the proposition: "The reauthorization of the
3 local sales and use tax in (name of municipality) at the rate of
4 (insert appropriate rate) to continue providing revenue for
5 maintenance, ~~and~~ repair, and reconstruction of municipal streets
6 or sidewalks. The tax expires on the (insert fourth, eighth, or
7 10th) anniversary of the date of this election unless the
8 imposition of the tax is reauthorized."

9 SECTION 4. Section 327.008, Tax Code, is amended to read as
10 follows:

11 Sec. 327.008. USE OF TAX REVENUE. Revenue from the tax
12 imposed under this chapter may be used only to maintain, ~~and~~
13 repair, and reconstruct municipal streets or sidewalks existing on
14 the date of the election to adopt the tax.

15 SECTION 5. Sections 327.006(b), 327.0065(c), and
16 327.007(b), Tax Code, as amended by this Act, apply only to ballot
17 language for an election ordered on or after the effective date of
18 this Act. Ballot language for an election ordered before the
19 effective date of this Act is governed by the law in effect when the
20 election was ordered.

21 SECTION 6. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2025.