

By: McReynolds

H.B. No. 38

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the counties eligible to create a county assistance  
3 district that may impose a sales and use tax.

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

5 SECTION 1. Section 387.002, Local Government Code, as  
6 renumbered by Section 2(110), Chapter 1275, Acts of the 78th  
7 Legislature, Regular Session, 2003, is amended to read as follows:

8 Sec. 387.002. APPLICABILITY. This chapter applies only to  
9 a county that has a population of less than 45,000 and either:

10 (1) does not impose a sales and use tax under Chapter  
11 323, Tax Code; or

12 (2) has ~~and~~ any portion of its territory ~~[of which~~  
13 ~~is]~~ included in an authority governed by Chapter 451 or 452,  
14 Transportation Code.

15 SECTION 2. Section 387.003, Local Government Code, as  
16 renumbered by Section 2(110), Chapter 1275, Acts of the 78th  
17 Legislature, Regular Session, 2003, is amended by amending  
18 Subsections (b) and (f) and adding Subsection (g) to read as  
19 follows:

20 (b) The order calling the election must:

21 (1) define the boundaries of the district to include  
22 any portion of the county:

23 (A) that is not located in an authority governed  
24 by Chapter 451 or 452, Transportation Code; or

1                   (B) in which the combined tax rate of all sales  
2 and use taxes imposed, including the rate to be imposed by the  
3 district if approved at the election, would not exceed two percent;  
4 and

5                   (2) call for the election to be held within those  
6 boundaries.

7                   (f) The commissioners court may call an election to be held  
8 in an area of the county that is not located in a district created  
9 under this section to determine whether the area should be included  
10 in the district and whether the district's sales and use tax should  
11 be imposed in the area. An election may not be held in an area:

12                   (1) that is included in an authority governed by  
13 Chapter 451 or 452, Transportation Code; or

14                   (2) in which the combined tax rate of all sales and use  
15 taxes imposed, including the rate to be imposed by the district if  
16 approved at the election, would exceed two percent.

17                   (g) The area in which an election is held under Subsection  
18 (f) is included in the district and the sales and use tax is imposed  
19 if a majority of the votes received at the election favor inclusion  
20 in the district and imposition of the sales and use tax.

21                   SECTION 3. 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 February 1, 2004.