

BILL ANALYSIS

H.B. 1816
By: McReynolds
County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Certain governmental entities have the authority to levy local sales and use taxes, which are limited to a 2 percent cap. Under current law, Chapter 384 of the Local Government Code allows counties with populations below 45,000 in a metropolitan rapid transit or a regional transportation authorities to create county assistance districts. These districts may collect sales and use taxes in the unincorporated areas of the county to pay for necessary services. House Bill 1816 allows additional counties to create county assistance districts only after the approval of local voters.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION ONE:

Section 384.002. Applicability. Amends section 384.002 by allowing additional counties whose population are below 45,000 and do not impose a sales and use tax under Chapter 323, Tax Code or has any portion of its territory included in an authority governed by Chapter 451 or 452, Transportation Code to create county assistance district.

SECTION TWO:

Section 384.003. Creation and Function of District. Amends subsection (b) and (f) by placing a two percent cap for all combined sales and use taxes in the district. Creates subsection (g) which authorizes the Commissioners Court of an eligible county to call an election for the creation of a county assistance district.

EFFECTIVE DATE

This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2003.