

By: Wentworth

S.B. No. 1705

A BILL TO BE ENTITLED

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AN ACT

relating to the authority of certain taxing entities to repeal the local sales and use tax exemption for telecommunications services.

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

SECTION 1. Section 322.109, Tax Code, is amended by amending Subsection (d), adding a new Subsection (e), and relettering existing Subsection (e) as Subsection (f) to read as follows:

(d) The governing board of a taxing entity created under Chapter 451, Transportation Code, may not repeal the application of the exemption provided by Subsection (a) unless the repeal is first approved by a majority of the members of the governing body of each municipality that created the taxing entity, except as authorized by Subsection (e). A reinstatement of the exemption must be approved in the same manner.

(e) The governing board of a taxing entity created before 1980 in which the principal municipality has a population of less than 1.2 million may not repeal the application of the exemption provided by Subsection (a) unless the repeal is first approved by a majority vote of a committee created under Section 451.061(d), Transportation Code. A reinstatement of the exemption must be approved in the same manner.

(f) A vote of a taxing entity board repealing the application of or reinstating the exemption must be entered in the

1 minutes of the entity. The entity board chairman or secretary shall  
2 send to the comptroller by United States certified or registered  
3 mail a copy of each order adopted under this section. The repeal of  
4 the application of the exemption or a reinstated exemption takes  
5 effect within the entity on the first day of the first calendar  
6 quarter after the expiration of the first complete calendar quarter  
7 after the date on which the comptroller receives a copy of the  
8 order.

9         SECTION 2. This Act takes effect immediately if it receives  
10 a vote of two-thirds of all the members elected to each house, as  
11 provided by Section 39, Article III, Texas Constitution. If this  
12 Act does not receive the vote necessary for immediate effect, this  
13 Act takes effect September 1, 2003.