

By: Pitts

H.B. No. 2

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the allocation of certain revenue from franchise taxes,  
3 motor vehicle sales and use taxes, and taxes on cigarettes and other  
4 tobacco products to provide property tax relief.

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

6 SECTION 1. (a) Subchapter G, Chapter 403, Government Code,  
7 is amended by adding Section 403.109 to read as follows:

8 Sec. 403.109. PROPERTY TAX RELIEF FUND. (a) The property  
9 tax relief fund is a special fund in the state treasury outside the  
10 general revenue fund. Money in the fund may be appropriated only  
11 for a purpose that will result in a reduction of school district  
12 maintenance and operations tax rates to rates that are less than the  
13 rates in effect on January 1, 2006.

14 (b) The fund is exempt from the application of Sections  
15 403.095 and 404.071. Interest and income from deposit and  
16 investment of money in the fund must be allocated monthly to the  
17 fund.

18 (b) This section takes effect only if .B. No. \_\_\_\_\_, .B.  
19 No. \_\_\_\_\_, or .B. No. \_\_\_\_\_, Acts of the 79th Legislature, 3rd  
20 Called Session, 2006, is enacted and becomes law. If none of those  
21 Acts become law, this section has no effect.

22 SECTION 2. (a) Subchapter I, Chapter 171, Tax Code, is  
23 amended by adding Section 171.4011 to read as follows:

24 Sec. 171.4011. ALLOCATION OF CERTAIN REVENUE TO PROPERTY

1 TAX RELIEF FUND. (a) Notwithstanding Section 171.401, beginning  
2 with the state fiscal year that begins September 1, 2007, the  
3 comptroller shall, for each state fiscal year, deposit to the  
4 credit of the property tax relief fund under Section 403.109,  
5 Government Code, an amount of revenue calculated by:

6 (1) determining the revenue derived from the tax  
7 imposed by this chapter as it applied during that applicable state  
8 fiscal year; and

9 (2) subtracting the revenue the comptroller estimates  
10 that the tax imposed by this chapter, as it existed on August 31,  
11 2007, would have generated if it had been in effect for that  
12 applicable state fiscal year.

13 (b) If the amount under Subsection (a) is less than zero,  
14 the comptroller shall consider the amount to be zero.

15 (b) Except as provided by Subsection (c) of this section,  
16 this section takes effect September 1, 2007.

17 (c) This section takes effect only if .B. No. \_\_\_\_\_, Acts  
18 of the 79th Legislature, 3rd Called Session, 2006, is enacted and  
19 becomes law. If that Act does not become law, this section has no  
20 effect.

21 SECTION 3. (a) Subchapter G, Chapter 152, Tax Code, is  
22 amended by adding Section 152.1222 to read as follows:

23 Sec. 152.1222. ALLOCATION OF CERTAIN TAX REVENUE TO  
24 PROPERTY TAX RELIEF FUND. (a) Notwithstanding Section 152.122,  
25 the comptroller shall deposit to the credit of the property tax  
26 relief fund under Section 403.109, Government Code, the amount of  
27 money received under Section 152.121 that is estimated to have been

1 derived from the computation of the tax imposed by this chapter on  
2 the standard presumptive values of motor vehicles.

3 (b) The comptroller shall determine the amount described by  
4 Subsection (a) using available statistical data. If satisfactory  
5 data are not available, the comptroller may require county tax  
6 assessor-collectors to report additional information to the  
7 comptroller as necessary to make the allocation required by  
8 Subsection (a).

9 (b) Except as provided by Subsection (c) of this section,  
10 this section takes effect October 1, 2006.

11 (c) This section takes effect only if H.B. No. \_\_\_\_\_, Acts  
12 of the 79th Legislature, 3rd Called Session, 2006, is enacted and  
13 becomes law. If that Act does not become law, this section has no  
14 effect.

15 SECTION 4. (a) Subchapter J, Chapter 154, Tax Code, is  
16 amended by adding Section 154.6035 to read as follows:

17 Sec. 154.6035. ALLOCATION OF CERTAIN REVENUE TO PROPERTY  
18 TAX RELIEF FUND. Notwithstanding Section 154.603, all proceeds  
19 from the collection of taxes imposed by this chapter attributable  
20 to the portion of the tax rate in excess of \$20.50 per thousand on  
21 cigarettes, regardless of weight, shall be deposited to the credit  
22 of the property tax relief fund under Section 403.109, Government  
23 Code.

24 (b) Subchapter H, Chapter 155, Tax Code, is amended by  
25 adding Section 155.2415 to read as follows:

26 Sec. 155.2415. ALLOCATION OF CERTAIN REVENUE TO PROPERTY  
27 TAX RELIEF FUND. Notwithstanding Section 155.241, all proceeds

1 from the collection of taxes imposed by Section 155.0211  
2 attributable to the portion of the tax rate in excess of 35.213  
3 percent of the manufacturer's list price, exclusive of any trade  
4 discount, special discount, or deal, shall be deposited to the  
5 credit of the property tax relief fund under Section 403.109,  
6 Government Code.

7 (c) Except as provided by Subsection (d) of this section,  
8 this section takes effect September 1, 2006.

9 (d) This section takes effect only if H.B. No. \_\_\_\_\_, Acts  
10 of the 79th Legislature, 3rd Called Session, 2006, is enacted and  
11 becomes law. If that Act does not become law, this section has no  
12 effect.

13 SECTION 5. To the extent of a conflict between a provision  
14 of this Act and a provision of any other Act of the 79th  
15 Legislature, 3rd Called Session, 2006, the provision of this Act  
16 prevails, regardless of relative dates of enactment.

17 SECTION 6. Except as otherwise provided by this Act, this  
18 Act takes effect September 1, 2006.