

## **BILL ANALYSIS**

H.B. 132  
By: Hilderbran  
Local Government Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, under Chapter 324 of the Tax Code, a county having a population of 50,000 or less, with voter approval, may adopt and impose a County Health Services Sales and Use Tax of one-half cent. A county may not adopt a tax under this chapter if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the county and other political subdivisions of this state having territory in the county would exceed two percent at any location in the county. The county imposing the tax may use the revenue from the tax imposed only to provide health services in the county.

HB 132 amends current law by allowing counties the ability to impose the County Health Services and Use tax up to one cent, with voter approval. It also allows the tax to be decreased or abolished.

### **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 1. Amends Section 324.021, Tax Code to allow qualifying counties to increase or decrease the health services use tax upon approval of the voters.
- SECTION 2. Amends Section 324.022, Tax Code to allow the tax rate imposed to be one-half, five-eighths, three-fourths, seven-eighths, or one percent. Allows for the rate to be increased in increments of one-eighth of one percent to a maximum of one percent or reduced at the rate of one-eighths of one percent to a minimum of one percent. Allows for tax to be abolished.
- SECTION 3: Amends Section 324.023, Tax Code, to conforming language.
- SECTION 4: Amends Section 324.061, Tax Code, Subsections (a) and (b), and adding (b-1) which addresses the content of the election ballot.
- SECTION 5. This Act takes effect immediately if it receives two-thirds vote of all members elected to each house. Otherwise, September 1, 2005.

### **EFFECTIVE DATE**

- SECTION 5. This Act takes effect immediately if it receives two-thirds vote of all members elected to each house. Otherwise, September 1, 2005.