

BILL ANALYSIS

S.B. 1339
By: Madla
Local Government Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Chapter 451 (Metropolitan Rapid Transit Authorities), Transportation Code, allows an authority organized under Chapter 451 to call for an election for the creation of an advanced transportation district (ATD) to be funded by a local sales and use tax. ATDs can be used for traffic management systems, rapid transit vehicles, and high occupancy vehicle lanes. Section 451.706 stipulates that the combined rate of all sales and use taxes imposed by the district and all other political subdivisions may not exceed two percent in any location in the district. If, after the ATD election, the result of the imposition of the district's tax in a participating unit exceeds the two percent limit, current law says that all the local sales and use tax in that unit is repealed to zero percent.

S.B. 1339 allows communities that did not participate in the initial election to call for an election to participate in the ATD. The bill allows for the ATD to deny admission if the district determines that servicing the community would provide a financial hardship to the district. The bill also states that if, as a result of the election, the sales tax would exceed the two percent limit, the community shall identify which sales tax they will reduce in order to stay under the two percent cap.

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 451.705, Transportation Code, as follows:

Sec. 451.705. SUBSEQUENT ELECTIONS. (a) Deletes existing text of Subsection (a). Authorizes the governing body of a municipality or the commissioners court of a county to order an election in the municipality or the county at a later date on the question of joining the district if the initial election under Section 451.702 (Election Authorized) is held only in the principal municipality, or if the voters of a municipality or the unincorporated area of a county do not vote to join the district at the initial election. Prohibits the election from being held if the governing body of the district makes certain determinations that the addition of the municipality or unincorporated area creates a financial hardship on the district.

(b) Deletes existing text of Subsection (b). Creates this subsection from existing text of Subsection (c).

(c) Bill as drafted does not contain Subsection (c).

(d) Requires the election ballot to be prepared to permit voting for or against the proposition, and sets forth the specific text of the proposition.

SECTION 2. Amends Section 451.706, Transportation Code, by amending Subsection (b) and adding Subsection (d), as follows:

(b) Requires the governing body of the political subdivision holding an election under Section 451.705, if the approval of the district's tax at an election under Section 451.705 would cause the tax in a political subdivision to exceed certain limits, to prepare a ballot to allow the voters of the subdivision to determine which portion of other sales taxes of that subdivision will be repealed if the voters approve joining the district. Prohibits certain taxes from being reduced. Deletes existing text pertaining to the election of a participating unit repealing all other local sales and use taxes in that unit.

(d) Requires the ballot, at an election held under Subsection (b), to be prepared to permit voting for or against the , and sets forth the specific text of the proposition. Requires the governing body of the political subdivision to submit the ballot language to the authority for approval no later than the 45th day before the election date.

SECTION 3. Effective date: upon passage or September 1, 2005.

EFFECTIVE DATE

Upon passage or September 1, 2005.