

AN ACT

relating to the rate of the county health services sales and use tax.

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

SECTION 1. Section 324.021, Tax Code, is amended to read as follows:

Sec. 324.021. TAX AUTHORIZED. (a) A county having a population of 50,000 or less may adopt, increase, decrease, or abolish the sales and use tax authorized by this chapter at an election held in the county.

(b) A county may not adopt or increase a tax under this chapter if as a result of the adoption of or increase in 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.

(c) If the voters of a county approve the adoption of or the increase in the tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves the increase in the rate of its sales and use tax and as a result 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 election to adopt a sales and use tax under this chapter or increase the tax has no effect.

1 SECTION 2. Section 324.022, Tax Code, is amended to read as
2 follows:

3 Sec. 324.022. TAX RATE. (a) The ~~[rate of the]~~ tax
4 authorized by this chapter may be imposed at the rate of one-half,
5 five-eighths, three-fourths, seven-eighths, or one ~~[is one-half]~~
6 percent.

7 (b) The rate may be reduced in one or more increments of
8 one-eighth of one percent to a minimum of one-half of one percent or
9 increased in one or more increments of one-eighth of one percent to
10 a maximum of one percent, or the tax may be abolished.

11 SECTION 3. Section 324.023, Tax Code, is amended to read as
12 follows:

13 Sec. 324.023. SALES AND USE TAX EFFECTIVE DATE. (a) The
14 adoption, increase, decrease, or abolition of the tax takes effect
15 on the first day of the first calendar quarter occurring after the
16 expiration of the first complete calendar quarter occurring after
17 the date on which the comptroller receives a notice of the results
18 of the election.

19 (b) If the comptroller determines that an effective date
20 provided by Subsection (a) will occur before the comptroller can
21 reasonably take the action required to begin collecting the tax or
22 to implement the increase, decrease, or abolition of the tax, the
23 effective date may be extended by the comptroller until the first
24 day of the next succeeding calendar quarter.

25 SECTION 4. Section 324.061, Tax Code, is amended by
26 amending Subsections (a) and (b) and adding Subsection (b-1) to
27 read as follows:

1 (a) An election to adopt, increase, decrease, or abolish the
2 tax authorized by this chapter is called by the adoption of an order
3 by the commissioners court of the county. The commissioners court
4 shall call an election if a number of qualified voters of the county
5 equal to at least five percent of the number of registered voters in
6 the county petitions the commissioners court to call the election.

7 (b) At an election to adopt the tax, the ballot shall be
8 prepared to permit voting for or against the proposition: "The
9 adoption of a local sales and use tax in (name of county) at the rate
10 of _____ (one-half, five-eighths, three-fourths,
11 seven-eighths, or one, to be inserted as appropriate) [~~one-half~~]
12 percent to provide revenue for health services in the county."

13 (b-1) At an election to increase or decrease the tax, the
14 ballot shall be prepared to permit voting for or against the
15 proposition: "The (increase or decrease) of the local sales and use
16 tax in (name of county) to the rate of _____ (one-half,
17 five-eighths, three-fourths, seven-eighths, or one, to be inserted
18 as appropriate) percent to provide revenue for health services in
19 the county."

20 SECTION 5. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect on the 91st day after the last day of the
25 legislative session.

President of the Senate

Speaker of the House

I certify that H.B. No. 132 was passed by the House on March 31, 2005, by the following vote: Yeas 147, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 132 was passed by the Senate on May 19, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor