

1-1 By: Hilderbran (Senate Sponsor - Fraser) H.B. No. 132
1-2 (In the Senate - Received from the House April 4, 2005;
1-3 April 6, 2005, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 12, 2005, reported favorably by
1-5 the following vote: Yeas 5, Nays 0; May 12, 2005, sent to
1-6 printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the rate of the county health services sales and use
1-10 tax.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 324.021, Tax Code, is amended to read as
1-13 follows:

1-14 Sec. 324.021. TAX AUTHORIZED. (a) A county having a
1-15 population of 50,000 or less may adopt, increase, decrease, or
1-16 abolish the sales and use tax authorized by this chapter at an
1-17 election held in the county.

1-18 (b) A county may not adopt or increase a tax under this
1-19 chapter if as a result of the adoption of or increase in the tax the
1-20 combined rate of all sales and use taxes imposed by the county and
1-21 other political subdivisions of this state having territory in the
1-22 county would exceed two percent at any location in the county.

1-23 (c) If the voters of a county approve the adoption of or the
1-24 increase in the tax at an election held on the same election date on
1-25 which another political subdivision adopts a sales and use tax or
1-26 approves the increase in the rate of its sales and use tax and as a
1-27 result the combined rate of all sales and use taxes imposed by the
1-28 county and other political subdivisions of this state having
1-29 territory in the county would exceed two percent at any location in
1-30 the county, the election to adopt a sales and use tax under this
1-31 chapter or increase the tax has no effect.

1-32 SECTION 2. Section 324.022, Tax Code, is amended to read as
1-33 follows:

1-34 Sec. 324.022. TAX RATE. (a) The ~~[rate of the]~~ tax
1-35 authorized by this chapter may be imposed at the rate of one-half,
1-36 five-eighths, three-fourths, seven-eighths, or one ~~[is one-half]~~
1-37 percent.

1-38 (b) The rate may be reduced in one or more increments of
1-39 one-eighth of one percent to a minimum of one-half of one percent or
1-40 increased in one or more increments of one-eighth of one percent to
1-41 a maximum of one percent, or the tax may be abolished.

1-42 SECTION 3. Section 324.023, Tax Code, is amended to read as
1-43 follows:

1-44 Sec. 324.023. SALES AND USE TAX EFFECTIVE DATE. (a) The
1-45 adoption, increase, decrease, or abolition of the tax takes effect
1-46 on the first day of the first calendar quarter occurring after the
1-47 expiration of the first complete calendar quarter occurring after
1-48 the date on which the comptroller receives a notice of the results
1-49 of the election.

1-50 (b) If the comptroller determines that an effective date
1-51 provided by Subsection (a) will occur before the comptroller can
1-52 reasonably take the action required to begin collecting the tax or
1-53 to implement the increase, decrease, or abolition of the tax, the
1-54 effective date may be extended by the comptroller until the first
1-55 day of the next succeeding calendar quarter.

1-56 SECTION 4. Section 324.061, Tax Code, is amended by
1-57 amending Subsections (a) and (b) and adding Subsection (b-1) to
1-58 read as follows:

1-59 (a) An election to adopt, increase, decrease, or abolish the
1-60 tax authorized by this chapter is called by the adoption of an order
1-61 by the commissioners court of the county. The commissioners court
1-62 shall call an election if a number of qualified voters of the county
1-63 equal to at least five percent of the number of registered voters in
1-64 the county petitions the commissioners court to call the election.

2-1 (b) At an election to adopt the tax, the ballot shall be
2-2 prepared to permit voting for or against the proposition: "The
2-3 adoption of a local sales and use tax in (name of county) at the rate
2-4 of _____ (one-half, five-eighths, three-fourths,
2-5 seven-eighths, or one, to be inserted as appropriate) [~~one-half~~]
2-6 percent to provide revenue for health services in the county."

2-7 (b-1) At an election to increase or decrease the tax, the
2-8 ballot shall be prepared to permit voting for or against the
2-9 proposition: "The (increase or decrease) of the local sales and use
2-10 tax in (name of county) to the rate of _____ (one-half,
2-11 five-eighths, three-fourths, seven-eighths, or one, to be inserted
2-12 as appropriate) percent to provide revenue for health services in
2-13 the county."

2-14 SECTION 5. This Act takes effect immediately if it receives
2-15 a vote of two-thirds of all the members elected to each house, as
2-16 provided by Section 39, Article III, Texas Constitution. If this
2-17 Act does not receive the vote necessary for immediate effect, this
2-18 Act takes effect on the 91st day after the last day of the
2-19 legislative session.

2-20 * * * * *