

By: McReynolds, Farabee

H.B. No. 1468

Substitute the following for H.B. No. 1468:

By: Smith of Harris

C.S.H.B. No. 1468

A BILL TO BE ENTITLED

AN ACT

relating to the counties eligible to create a county assistance district that may impose a sales and use tax.

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

SECTION 1. Section 387.002, Local Government Code, is amended to read as follows:

Sec. 387.002. APPLICABILITY. This chapter applies only to a county that has a population of less than 50,000 [~~45,000 and any portion of which is included in an authority governed by Chapter 451 or 452, Transportation Code~~].

SECTION 2. Section 387.003, Local Government Code, is amended by amending Subsections (b) and (f) and adding Subsections (b-1), (g), and (h) to read as follows:

(b) The order calling the election must:

(1) define the boundaries of the district to include any portion of the county in which the combined tax rate of all local sales and use taxes imposed, including the rate to be imposed by the district if approved at the election, would not exceed two percent [~~that is not located in an authority governed by Chapter 451 or 452, Transportation Code~~]; and

(2) call for the election to be held within those boundaries.

(b-1) If the proposed district includes any territory of a municipality, the commissioners court shall send notice by

1 certified mail to the governing body of the municipality of the
2 commissioners court's intent to create the district. The
3 commissioners court must send the notice not later than the 60th day
4 before the date the commissioners court orders the election. The
5 governing body of the municipality may exclude the territory of the
6 municipality from the proposed district by sending notice by
7 certified mail to the commissioners court of the governing body's
8 desire to exclude the municipal territory from the district. The
9 governing body must send the notice not later than the 45th day
10 after the date the governing body receives notice from the
11 commissioners court under this subsection. If the commissioners
12 court fails to provide notice to a municipality as required by this
13 subsection, the governing body of the municipality may exclude its
14 territory from the district at any time, including after the
15 creation of the district, by providing written notice to the
16 commissioners court of the governing body's desire to exclude the
17 territory. The territory of a municipality that is excluded under
18 this subsection may subsequently be included in the district in an
19 election held under Subsection (f).

20 (f) The commissioners court may call an election to be held
21 in an area of the county that is not located in a district created
22 under this section to determine whether the area should be included
23 in the district and whether the district's sales and use tax should
24 be imposed in the area. An election may not be held in an area in
25 which the combined tax rate of all local sales and use taxes
26 imposed, including the rate to be imposed by the district if
27 approved at the election, would exceed two percent [~~that is~~

1 ~~included in an authority governed by Chapter 451 or 452,~~
2 ~~Transportation Code].~~

3 (g) The area in which an election is held under Subsection
4 (f) is included in the district and the sales and use tax is imposed
5 if a majority of the votes received at the election favor inclusion
6 in the district and imposition of the sales and use tax.

7 (h) If more than one election to authorize a sales and use
8 tax is held on the same day in the area of a proposed district or an
9 area proposed to be added to a district and if the resulting
10 approval by the voters would cause the imposition of a sales and use
11 tax in any area to exceed two percent, only a tax authorized at an
12 election under this section may be imposed.

13 SECTION 3. The change in law made by this Act by adding
14 Section 387.003(b-1), Local Government Code, applies only to an
15 election ordered on or after the effective date of this Act.

16 SECTION 4. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2005.