

By: Madla

S.B. No. 1339

A BILL TO BE ENTITLED

AN ACT

relating to the limitation on the sales and use tax rate of a political subdivision in an advanced transportation district.

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

SECTION 1. Section 451.705, Transportation Code, is amended to read as follows:

Sec. 451.705. SUBSEQUENT ELECTIONS. (a) If the initial election under Section 451.702 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 under Section 451.702, the governing body of the municipality or the commissioners court of the county may order an election in the municipality or the county at a later date on the question of joining the district, except that the election may not be held if the governing body of the district determines that the addition of the municipality or unincorporated area would create a financial hardship on the district because:

(1) the territory to be added is not contiguous to the territory of the existing district; or

(2) the addition of the territory would impair the imposition of the sales and use tax authorized by this subchapter
~~[voters of a municipality do not vote to join the district at the initial election under Section 451.702, the governing body of the municipality may order an election in the municipality at a later~~

1 ~~date on the question of joining the district].~~

2 (b) ~~[If the voters of the unincorporated area of a county do~~
3 ~~not vote to join the district at the initial election under Section~~
4 ~~451.702, the commissioners court of the county may order an~~
5 ~~election in the county at a later date on the question of joining~~
6 ~~the district.~~

7 ~~[(c)]~~ An election ordered under this section shall be held
8 in the same manner as the initial election, except that the
9 governmental entity ordering the election shall pay the costs of
10 the election, and the governing body of that entity shall canvass
11 the vote, declare the results, and notify the district of the
12 results of the election.

13 (c) If after an election held under this subchapter, the
14 imposition of the district's tax would not exceed the limit imposed
15 by Section 451.706(a), at the election the ballot shall be prepared
16 to permit voting for or against substantially the following
17 proposition: "Joining the Advanced Transportation District and
18 authorizing a sales and use tax at the rate of ____ (rate imposed
19 elsewhere in the district)."

20 SECTION 2. Section 451.706, Transportation Code, is amended
21 by amending Subsection (b) and adding Subsection (d) to read as
22 follows:

23 (b) If the approval of the district's tax at ~~[after]~~ an
24 election held under Section 451.705 would cause ~~[this subchapter]~~
25 the ~~[imposition of the district's]~~ tax in a political subdivision
26 to ~~[participating unit would]~~ exceed the limit imposed under
27 Subsection (a), the governing body of the political subdivision

1 holding an election under Section 451.705 shall prepare the ballot
2 to allow the voters of the subdivision to determine which portion of
3 other sales taxes of that subdivision will be repealed if the voters
4 approve joining the district [~~the election of a participating unit~~
5 ~~to join the district repeals all other local sales and use taxes in~~
6 ~~that unit~~], except that the following may not be reduced [~~for~~]:

7 (1) the sales and use tax of the authority; and

8 (2) a sales and use tax of not more than one percent
9 imposed by a municipality under Section 321.101(a) or 321.103(a),
10 Tax Code.

11 (d) At an election held under Subsection (b), the ballot
12 shall be prepared to permit voting for or against substantially the
13 following proposition: "Joining the Advanced Transportation
14 District, authorizing a sales and use tax at the rate of ____ (rate
15 imposed elsewhere in the district), and repealing ____ cents of the
16 following sales and use taxes used for
17 _____." Not later than the 45th day before
18 the election date, the governing body of the political subdivision
19 shall submit the ballot language to the authority for approval.

20 SECTION 3. 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 September 1, 2005.