

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 another 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 other 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.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1339 passed the Senate on April 21, 2005, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 26, 2005, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1339 passed the House, with amendment, on May 19, 2005, by the following vote: Yeas 136, Nays 0, four present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor