

By: Madla

S.B. No. 1339

A BILL TO BE ENTITLED

1 AN ACT

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

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

5 SECTION 1. Section 451.706, Transportation Code, is amended  
6 by amending Subsection (b) and adding Subsection (b-1) to read as  
7 follows:

8 (b) Except as provided by Subsection (b-1), if [~~if~~] after an  
9 election held under this subchapter the imposition of the  
10 district's tax in a participating unit would exceed the limit  
11 imposed under Subsection (a), the election of a participating unit  
12 to join the district repeals all other local sales and use taxes in  
13 that unit, except for:

14 (1) the sales and use tax of the authority; [~~and~~]

15 (2) a sales and use tax of not more than one percent  
16 imposed by a municipality under Section 321.101(a) or 321.103(a),  
17 Tax Code; or

18 (3) a sales and use tax, or the dedicated portion of a  
19 sales and use tax, that is imposed to pay the principal of and  
20 interest on a debt of the participating unit.

21 (b-1) If after repealing all other local sales and use taxes  
22 under Subsection (b) the imposition of the district's tax would  
23 still cause the tax rate in the participating unit to exceed the  
24 limitation imposed under Subsection (a), the unit does not become

1 part of the district until the rate imposed in the unit does not  
2 exceed the limitation. A sales and use tax or dedicated portion of  
3 a tax imposed in the unit that is described by Subsection (b)(3) is  
4 repealed on retirement of the debt for which the tax or portion was  
5 imposed.

6 SECTION 2. The change in law made by this Act applies only  
7 to a political subdivision that participates in or that holds an  
8 election to join an advanced transportation district on or after  
9 the effective date of this Act.

10 SECTION 3. This Act takes effect immediately if it receives  
11 a vote of two-thirds of all the members elected to each house, as  
12 provided by Section 39, Article III, Texas Constitution. If this  
13 Act does not receive the vote necessary for immediate effect, this  
14 Act takes effect September 1, 2005.