

1-1 By: Madla S.B. No. 1339
1-2 (In the Senate - Filed March 10, 2005; March 21, 2005, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; April 12, 2005, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 4, Nays 0;
1-6 April 12, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1339 By: Madla

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the limitation on the sales and use tax rate of a
1-11 political subdivision in an advanced transportation district.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 451.705, Transportation Code, is amended
1-14 to read as follows:

1-15 Sec. 451.705. SUBSEQUENT ELECTIONS. (a) If the initial
1-16 election under Section 451.702 is held only in the principal
1-17 municipality, or if the voters of a municipality or the
1-18 unincorporated area of a county do not vote to join the district at
1-19 the initial election under Section 451.702, the governing body of
1-20 the municipality or the commissioners court of the county may order
1-21 an election in the municipality or the county at a later date on the
1-22 question of joining the district, except that the election may not
1-23 be held if the governing body of the district determines that the
1-24 addition of the municipality or unincorporated area would create a
1-25 financial hardship on the district because:

1-26 (1) the territory to be added is not contiguous to the
1-27 territory of the existing district; or

1-28 (2) the addition of the territory would impair the
1-29 imposition of the sales and use tax authorized by this subchapter
1-30 [voters of a municipality do not vote to join the district at the
1-31 initial election under Section 451.702, the governing body of the
1-32 municipality may order an election in the municipality at a later
1-33 date on the question of joining the district].

1-34 (b) ~~[If the voters of the unincorporated area of a county do~~
1-35 ~~not vote to join the district at the initial election under Section~~
1-36 ~~451.702, the commissioners court of the county may order an~~
1-37 ~~election in the county at a later date on the question of joining~~
1-38 ~~the district.~~

1-39 ~~[(c)]~~ An election ordered under this section shall be held
1-40 in the same manner as the initial election, except that the
1-41 governmental entity ordering the election shall pay the costs of
1-42 the election, and the governing body of that entity shall canvass
1-43 the vote, declare the results, and notify the district of the
1-44 results of the election.

1-45 (c) If after an election held under this subchapter, the
1-46 imposition of the district's tax would not exceed the limit imposed
1-47 by Section 451.706(a), at the election the ballot shall be prepared
1-48 to permit voting for or against substantially the following
1-49 proposition: "Joining the Advanced Transportation District and
1-50 authorizing a sales and use tax at the rate of ____ (rate imposed
1-51 elsewhere in the district)."

1-52 SECTION 2. Section 451.706, Transportation Code, is amended
1-53 by amending Subsection (b) and adding Subsection (d) to read as
1-54 follows:

1-55 (b) If the approval of the district's tax at [after] an
1-56 election held under Section 451.705 would cause [this subchapter]
1-57 the [imposition of the district's] tax in a political subdivision
1-58 to [participating unit would] exceed the limit imposed under
1-59 Subsection (a), the governing body of the political subdivision
1-60 holding an election under Section 451.705 shall prepare the ballot
1-61 to allow the voters of the subdivision to determine which portion of
1-62 other sales taxes of that subdivision will be repealed if the voters
1-63 approve joining the district [the election of a participating unit

2-1 ~~to join the district repeals all other local sales and use taxes in~~
2-2 ~~that unit], except that the following may not be reduced [for]:~~

- 2-3 (1) the sales and use tax of the authority; and
- 2-4 (2) a sales and use tax of not more than one percent
- 2-5 imposed by a municipality under Section 321.101(a) or 321.103(a),
- 2-6 Tax Code.

2-7 (d) At an election held under Subsection (b), the ballot
 2-8 shall be prepared to permit voting for or against substantially the
 2-9 following proposition: "Joining the Advanced Transportation
 2-10 District, authorizing a sales and use tax at the rate of ___ (rate
 2-11 imposed elsewhere in the district), and repealing ___ cents of the
 2-12 following sales and use taxes used for
 2-13 _____." Not later than the 45th day before
 2-14 the election date, the governing body of the political subdivision
 2-15 shall submit the ballot language to the authority for approval.

2-16 SECTION 3. This Act takes effect immediately if it receives
 2-17 a vote of two-thirds of all the members elected to each house, as
 2-18 provided by Section 39, Article III, Texas Constitution. If this
 2-19 Act does not receive the vote necessary for immediate effect, this
 2-20 Act takes effect September 1, 2005.

2-21 * * * * *