

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 7, 2005

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB1339 by Madla (Relating to the limitation on the sales and use tax rate of a political subdivision in an advanced transportation district.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 451 of the Transportation Code, relating to the limitation on the sales and use tax rate of a political subdivision in an advanced transportation district.

The bill would create an exception for a sales and use tax imposed to pay the principal of and interest on a debt of a participating unit in an advanced transportation district when determining which local sales and use taxes would be repealed if, after an election in a participating unit to impose the district's tax, the combined rate of all local sales taxes in the unit exceeded 2 percent.

The bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2005.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Under current law, only the San Antonio Metropolitan Rapid Transit Authority may create an advanced transportation district. It is not known which jurisdictions might choose to join the transportation district and what affect that would have on the imposition of taxes in those jurisdictions.

Source Agencies: 304 Comptroller of Public Accounts, 601 Department of Transportation

LBB Staff: JOB, DLBa, WP, SM