

Amend **HB 2510** (Senate committee printing) as follows:

(1) Add the following appropriately numbered SECTIONS and renumber subsequent SECTIONS accordingly:

SECTION \_\_\_\_\_. (a) The purpose of Chapter 329, Tax Code, as added by this section, is to promote and provide for funding for commuter rail transit between municipalities located in the counties to which that chapter applies.

(b) Subtitle C, Title 3, Tax Code, is amended by adding Chapter 329 to read as follows:

CHAPTER 329. SALES AND USE TAXES BY CERTAIN MUNICIPALITIES

Sec. 329.001. DEFINITION. In this chapter, "transit sales and use tax" means a sales and use tax imposed for the support of transportation services authorized under the Transportation Code.

Sec. 329.002. APPLICABILITY. This chapter applies only to a municipality located wholly or partly in:

(1) a district created under Article 6550c-3, Revised Statutes;

(2) one or both of two contiguous counties, each of which has a population of one million or more; or

(3) a county contiguous to one of the counties described in Subdivision (2).

Sec. 329.003. TRANSIT SALES AND USE TAX NOT COUNTED IN COMBINED LOCAL TAX RATE. Notwithstanding any other law, the rate of a transit sales and use tax imposed within the territory of a municipality to which this chapter applies may not be considered in determining the combined or overlapping rate of local sales and use taxes in the municipality for any purpose other than as provided in Section 329.004.

Sec. 329.004. LIMITATION FOR TRANSIT SALES AND USE TAXES. Notwithstanding any other law, the rate of all transit sales and use taxes imposed within the territory of a municipality to which this chapter applies may not exceed one percent at any location in the municipality.

SECTION \_\_\_\_\_. Sections 321.101(b) and (e), Tax Code, are amended to read as follows:

(b) A municipality that is not disqualified may, by a majority vote of the qualified voters of the municipality voting at

an election held for that purpose, adopt an additional sales and use tax for the benefit of the municipality in accordance with this chapter. A municipality, other than a municipality to which Chapter 329 applies, is disqualified from adopting the additional sales and use tax if the municipality:

(1) is included within the boundaries of a rapid transit authority created under Chapter 451, Transportation Code;

(2) is included within the boundaries of a regional transportation authority created under Chapter 452, Transportation Code, by a principal municipality having a population of less than 800,000, unless the municipality has a population of 400,000 or more and is located in more than one county;

(3) is wholly or partly located in a county that contains territory within the boundaries of a regional transportation authority created under Chapter 452, Transportation Code, by a principal municipality having a population in excess of 800,000, unless:

(A) the municipality is a contiguous municipality; or

(B) the municipality is not included within the boundaries of the authority and is located wholly or partly in a county in which fewer than 250 persons are residents of both the county and the authority according to the most recent federal census; or

(C) the municipality is not and on January 1, 1993, was not included within the boundaries of the authority; or

(4) imposes a tax authorized by Chapter 453, Transportation Code.

(e) An authority created under Chapter 451 or 452, Transportation Code, is prohibited from imposing the tax provided for by those chapters if within the boundaries of the authority there is a municipality, other than a municipality to which Chapter 329 applies, that has adopted the additional sales and use tax provided for by this section.

(2) In SECTION 1 of the bill, in new Section 8, Article 6550c-3, Revised Statutes, strike Subsection (f) (page 5, lines 4-8), and reletter subsequent subsections accordingly.