

Amend HB 3319 (Senate committee printing) by adding the following SECTION to the bill, appropriately numbered, and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Subtitle C, Title 3, Tax Code, is amended by adding Chapter 326 to read as follows:

CHAPTER 326. MUNICIPAL AND COUNTY SALES AND USE TAX FOR PROPERTY

TAX RELIEF

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 326.001. APPLICABLE LAW. Except as otherwise provided by this chapter:

(1) Chapter 321 applies to the municipal tax authorized by this chapter in the same manner as that chapter applies to the tax authorized by that chapter; and

(2) Chapter 323 applies to the county tax authorized by this chapter in the same manner as that chapter applies to the tax authorized by that chapter.

Sec. 326.002. EFFECT ON COMBINED LOCAL TAX RATE.

(a) Sections 321.101 and 323.101 do not apply to the municipal or county tax authorized by this chapter.

(b) The rate of a municipal or county sales and use tax imposed under this chapter may not be considered in determining the combined or overlapping rate of local sales and use taxes in any area under this subtitle or another law, including:

(1) the Health and Safety Code;

(2) the Local Government Code;

(3) the Special District Local Laws Code;

(4) the Transportation Code; or

(5) the Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes).

[Sections 326.003-326.050 reserved for expansion]

SUBCHAPTER B. IMPOSITION OF TAX

Sec. 326.051. TAX AUTHORIZED. (a) A municipality or a county may adopt or abolish the sales and use tax authorized by this chapter at an election held in the municipality or county.

(b) The adoption of the tax authorized by this chapter by one political subdivision does not affect the authority of another political subdivision that has overlapping boundaries to also adopt

the tax authorized by this chapter.

Sec. 326.052. TAX RATE. The rate of the tax authorized by this chapter is one-fourth of one percent.

Sec. 326.053. SALES AND USE TAX EFFECTIVE DATE. (a) The adoption or abolition of the tax takes effect on the first day of the first calendar quarter occurring after the expiration of the first complete calendar quarter occurring after the date on which the comptroller receives a notice of the results of the election from the municipality or county.

(b) If the comptroller determines that an effective date provided by Subsection (a) will occur before the comptroller can reasonably take the action required to begin collecting the tax or to implement the abolition of the tax, the effective date may be extended by the comptroller until the first day of the next succeeding calendar quarter.

[Sections 326.054-326.100 reserved for expansion]

SUBCHAPTER C. TAX ELECTION PROCEDURES

Sec. 326.101. CALLING ELECTION. (a) An election authorized by this chapter in a municipality is called by the adoption of an ordinance by the governing body of the municipality.

(b) An election authorized by this chapter in a county is called by the adoption of an order by the commissioners court of the county.

(c) The governing body of a municipality or the commissioners court may call an election on its own motion or shall call an election if a number of qualified voters of the municipality or county equal to at least five percent of the number of registered voters in the municipality or county petition the governing body or commissioners court to call the election.

Sec. 326.102. ELECTION DATE. An election under this chapter must be held on the next uniform election date that occurs after the date of the election order and that allows sufficient time to comply with the requirements of other law.

Sec. 326.103. BALLOT. (a) At an election to adopt the tax, the ballot shall be prepared to permit voting for or against the proposition: "The adoption of a local sales and use tax in (name of municipality or county) at the rate of one-fourth of one percent to

reduce the (municipal or county) property tax rate."

(b) At an election to abolish the tax, the ballot shall be prepared to permit voting for or against the proposition: "The abolition of the one-fourth of one percent sales and use tax in (name of municipality or county) used to reduce the (municipal or county) property tax rate."

[Sections 326.104-326.150 reserved for expansion]

SUBCHAPTER D. USE OF TAX REVENUE

Sec. 326.151. USE OF REVENUE. Any amount derived by a municipality or county from the sales and use tax under this chapter is additional sales and use tax revenue for purposes of Section 26.041.

Sec. 326.152. CALCULATION OF MUNICIPAL OR COUNTY ROLLBACK TAX RATE. For a municipality or county in which the voters have approved the imposition of the sales and use tax under this chapter, for an ad valorem tax year that begins on or after the date the sales and use tax takes effect, in the formula for calculating the rollback tax rate of the municipality or county, the officer or employee designated by the governing body of the municipality or the commissioners court of the county to make the calculation shall substitute 1.05 for 1.08.

(b) Subdivision (1), Section 26.012, Tax Code, is amended to read as follows:

(1) "Additional sales and use tax" means an additional sales and use tax imposed by:

(A) a municipality [~~city~~] under Section 321.101(b) or Chapter 326;

(B) a county under Chapter 323 or 326; or

(C) a hospital district, other than a hospital district created on or after September 1, 2001, that:

(i) imposes the sales and use tax under Subchapter I, Chapter 286, Health and Safety Code; or

(ii) imposes the sales and use tax under Subchapter L, Chapter 285, Health and Safety Code.

(c) Subsection (i), Section 31.01, Tax Code, is amended to read as follows:

(i) For a municipality [~~city or town~~] that imposes an

additional sales and use tax under Section 321.101(b) or Chapter 326 [~~of this code~~], or a county that imposes a sales and use tax under Chapter 323 or 326 [~~of this code~~], the tax bill shall indicate the amount of additional ad valorem taxes, if any, that would have been imposed on the property if additional ad valorem taxes had been imposed in an amount equal to the amount of revenue estimated to be collected from the additional municipal [~~city~~] sales and use tax or from the county sales and use tax, as applicable, for the year determined as provided by Section 26.041 [~~of this code~~].

(d) Subsections (b) and (c) of this section apply only to ad valorem taxes that are imposed for an ad valorem tax year that begins on or after January 1, 2008.

(e) Notwithstanding any other law, a county that has a population of more than 280,000 and less than 300,000, or a municipality located wholly or partly in such a county, may not hold an election to adopt a tax under Chapter 326, Tax Code, as added by Subsection (a) of this section, before January 1, 2008.

(f)(1) Except as provided by Subdivision (2) of this subsection, this section takes effect September 1, 2007.

(2) Subsections (b) and (c) of this section take effect January 1, 2008.