

BILL ANALYSIS

C.S.H.B. 1524
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

A municipality or county whose voters have approved a sales and use tax with the proceeds designated for construction of a community facility may subsequently determine that funds are needed for improvements and maintenance. CSHB 1524 amends the Local Government Code to allow the municipality's or county's governing body to order an election for the purpose of re-assigning a portion of the tax proceeds. The original method of taxation and rate of taxation must remain the same.

The bill includes the specific language required on the ballot, such that voters are clearly provided with the exact limit on the amount of funds or percentage of tax revenue; the type of tax; and a description of the proposed project's relation to the previously approved project.

RULEMAKING AUTHORITY

This bill does not expressly grant additional rulemaking authority to a state officer, department, agency or institution.

ANALYSIS

The bill would amend Chapter 334 of the Local Government Code to provide for an election on the use of taxes to improve or maintain a venue project. The ballot must permit voting for or against the proposition.

The bill would take effect on September 1, 2007 unless it receives the necessary votes to take effect immediately.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The committee substitute expressly states the municipality or county may not use revenue from the hotel occupancy tax.