

BILL ANALYSIS

H.B. 3084
By: Phillips
Local Government Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Chapter 327 of the Tax Code permits a municipality to adopt a sales tax for street maintenance. The sales tax expires every four years unless reauthorized by election. There is no procedure in the statute for abolishing the tax.

Cities estimate that the cost of preventative street maintenance is 20 to 35 times less expensive than total reconstruction. Further, the need to repair an existing street may only occur every five or six years, but then require significant funding the next year. A street maintenance tax that expires every four years creates planning and budgeting difficulties that can lessen the long-term cost savings of the tax.

H.B. 3084 provides that a street maintenance tax adopted after September 1, 2007, does not automatically expire after four years. The bill also establishes a procedure to abolish the tax by election.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 327.007(a), Texas Tax Code, by providing that only street maintenance taxes adopted prior to September 1, 2007, are subject to expiration every four years.

SECTION 2. Creates new Section 327.009, Texas Tax Code, which provides that an election to abolish a street maintenance tax may be called by the governing body of the municipality, or shall be called by the governing body upon receipt of a petition of five percent of the registered voters in the municipality. The section also provides ballot language for a repeal election.

SECTION 3. Effective date.

EFFECTIVE DATE

This Act takes effect September 1, 2007.