

By: Eiland

H.B. No. 3268

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the authority of voters of certain municipalities to
3 extend or change the purposes of a sales and use tax for certain
4 economic development corporations.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 4B(e), Development Corporation Act of
7 1979 (Article 5190.6, Vernon's Texas Civil Statutes) is amended to
8 read as follows:

9 (e) The rate of a tax adopted under this section must be
10 one-eighth, one-fourth, three-eighths, or one-half of one percent.
11 The ballot proposition at the election held to adopt the tax must
12 specify the rate of the tax to be adopted. At an election called and
13 held under Subsection (d) of this section, the city may also allow
14 the voters to vote on a ballot proposition that limits the length of
15 time that a sales and use tax may be imposed. A city that has
16 imposed a tax for a limited time frame may later extend the period
17 of the tax's imposition or reimpose the tax if authorized by a
18 majority of the qualified voters of the city voting in an election
19 called and held for that purpose, in accordance with Section 4A(n).
20 Additionally, at an election called and held under Subsection (d)
21 of this section, the city may also allow the voters to vote on a
22 ballot proposition that limits the use of the sales and use tax to a
23 specific project. A corporation that has been created to perform a
24 specific project under this subsection may retain its corporate

1 existence and perform other projects as may be approved by the
2 voters of the city under an election called and held for that
3 purpose, in accordance with Sections 4A(o) and (r). A corporation
4 that holds an election to reduce or abolish a tax imposed under
5 Section 4A of this Act may in the same or in a separate proposition
6 on the same ballot adopt a tax under this section. If an eligible
7 city adopts the tax, a tax is imposed on the receipts from the sale
8 at retail of taxable items within the eligible city at the rate
9 approved at the election. There is also imposed an excise tax on
10 the use, storage, or other consumption within the eligible city of
11 tangible personal property purchased, leased, or rented from a
12 retailer during the period that the tax is effective within the
13 eligible city. The rate of the excise tax is the same as the rate of
14 the sales tax portion of the tax and is applied to the sale price of
15 the tangible personal property.

16 SECTION 2. LEGISLATIVE FINDINGS. The legislature finds
17 that: all requirements of the constitution and laws of this State
18 and the rules and procedures of the legislature with respect to the
19 notice, introduction, and passage of this Act have been fulfilled
20 and accomplished.

21 SECTION 3. EFFECTIVE DATE. This Act takes effect
22 immediately if it receives a vote of two-thirds of all the members
23 elected to each house, as provided by Section 39, Article III, Texas
24 Constitution. If this Act does not receive the vote necessary for
25 immediate effect, this Act takes effect September 1, 2007.