

BILL ANALYSIS

C.S.H.B. 3036
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Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The municipal sales and use tax for street maintenance authorized by the legislature allows a city to raise its local sales tax rate up to a specified statutory limit if the funds are dedicated to street maintenance and repair. Since it was authorized, the tax has been adopted by a number of cities across the state. Imposition of the tax requires voter approval and the tax expires four years after it takes effect unless the voters reauthorize the tax for another four years at an election held for that purpose.

C.S.H.B. 3036 seeks to provide an alternative to a four-year reauthorization by providing for an election in which voters have the opportunity to approve continuation of the municipal sales and use tax for street maintenance for a period of 10 years.

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

C.S.H.B. 3036 amends the Tax Code, in provisions relating to the reauthorization of a municipal sales and use tax for street maintenance at an election held for that purpose, to authorize a municipality to order an election to reauthorize the tax for a period of either four years or ten years. The bill specifies that the tax expires the first day of the first calendar quarter occurring after either the fourth anniversary or the tenth anniversary of the date the tax was last reauthorized, depending on the period of reauthorization approved at the last election. The bill authorizes a municipality, if the tax has not expired, to hold an election at any time to reauthorize the tax for either a four-year period or at any time after the second anniversary of the date of the last election to reauthorize the tax for a ten-year period.

C.S.H.B. 3036 makes nonsubstantive changes in a provision prohibiting the municipality from calling an election on the question of authorizing a new municipal sales and use tax for street maintenance before the first anniversary of the date on which such a tax expired.

C.S.H.B. 3036 authorizes revenue from a municipal sales and use tax for street maintenance to be used to maintain and repair sidewalks existing on the date of the election to adopt the tax that are adjacent to a street being maintained or repaired using revenue from the tax.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3036 contains a specification not included in the original authorizing an election to

reauthorize the municipal sales and use tax for street maintenance for a four-year period to be held at any time.

C.S.H.B. 3036 contains a provision not included in the original authorizing revenue from a municipal sales and use tax for street maintenance to be used to maintain and repair sidewalks existing on the date of the election to adopt the tax that are adjacent to a street being maintained or repaired using revenue from the tax.

C.S.H.B. 3036 differs from the original in nonsubstantive ways by conforming to certain bill drafting conventions and making technical corrections.