

By: Smith of Tarrant

H.B. No. 2972

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the municipal sales and use tax for street maintenance.

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

4 SECTION 1. Section 327.007, Tax Code, is amended by
5 amending Subsections (a) and (b) and adding Subsection (b-1) to
6 read as follows:

7 (a) Unless imposition of the sales and use tax authorized by
8 this chapter is reauthorized as provided by this section, the tax
9 expires on:

10 (1) the fourth anniversary of the date the tax
11 originally took effect under Section 327.005; or

12 (2) the first day of the first calendar quarter
13 occurring after:

14 (A) the fourth anniversary of the date the tax
15 was last reauthorized under Subsection (b); or

16 (B) the eighth anniversary of the date the tax
17 was last reauthorized under Subsection (b-1) [~~this section~~].

18 (b) An election to reauthorize the tax for a period of four
19 years is called and held in the same manner as an election to adopt
20 the tax under Section 327.006, except the ballot proposition shall
21 be prepared to permit voting for or against the proposition: "The
22 reauthorization of the local sales and use tax in (name of
23 municipality) at the rate of (insert appropriate rate) to continue
24 providing revenue for maintenance and repair of municipal streets.

1 The tax expires on the fourth anniversary of the date the tax takes
2 effect unless the imposition of the tax is reauthorized."

3 (b-1) This subsection applies only to a municipality in
4 which 66 percent or more of the voters voting in each of the last two
5 consecutive elections concerning the adoption or reauthorization
6 of the tax authorized by this chapter favored adoption or
7 reauthorization and in which the tax has not expired as provided by
8 Subsection (a) since the first of those two consecutive elections.
9 A municipality to which this subsection applies may call an
10 election to reauthorize the tax for a period of eight years instead
11 of four years. The election is called and held in the same manner as
12 an election to adopt the tax under Section 327.006, except the
13 ballot proposition shall be prepared to permit voting for or
14 against the proposition: "The reauthorization of the local sales
15 and use tax in (name of municipality) at the rate of (insert
16 appropriate rate) to continue providing revenue for maintenance and
17 repair of municipal streets. The tax expires on the eighth
18 anniversary of the date the tax takes effect unless the imposition
19 of the tax is reauthorized."

20 SECTION 2. Section 327.008, Tax Code, is amended to read as
21 follows:

22 Sec. 327.008. USE OF TAX REVENUE. Revenue from the tax
23 imposed under this chapter may be used only to maintain and repair
24 municipal streets or sidewalks existing on the date of the election
25 to adopt the tax.

26 SECTION 3. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2011.