

AN ACT

relating to the municipal sales and use tax for street maintenance.

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

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

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

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

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

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

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

(b) An election to reauthorize the tax for a period of four years is called and held in the same manner as an election to adopt the tax under Section 327.006, except the ballot proposition shall be prepared to permit voting for or against the proposition: "The reauthorization of the local sales and use tax in (name of municipality) at the rate of (insert appropriate rate) to continue 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

H.B. No. 2972

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.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2972 was passed by the House on May 5, 2011, by the following vote: Yeas 141, Nays 5, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2972 was passed by the Senate on May 25, 2011, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor