

By: Smith of Tarrant

H.B. No. 2972

A BILL TO BE ENTITLED

AN ACT

relating to the municipal street maintenance tax.

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

Amend Chapter 327, Tax Code, as follow:

SECTION 1. Section 327.007 REAUTHORIZATION OF TAX. (a)

Except as provided by Section 327.0075 and unless ~~Unless~~ imposition of the sales and use tax authorized by this chapter is reauthorized as provided by this section or Section 327.0075, 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 the fourth anniversary of the date the tax was last reauthorized under this section; ~~or~~ or

(3) the first day of the first calendar quarter occurring after the eighth anniversary of the date the tax was last reauthorized under section 327.0075.

(b) Except as provided by Section 327.0075, an ~~An~~ election to reauthorize the tax 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 (c) If an election to reauthorize the tax is not held before
2 the tax expires as provided by Subsection (a), or if a majority of
3 the votes cast in an election to reauthorize the tax do not favor
4 reauthorization, the municipality may not call an election on the
5 question of authorizing a new tax under this chapter before the
6 first anniversary of the date on which the tax expired.

7 (d) Not later than the 10th day after the date the
8 municipality determines that the tax will expire as provided by
9 Subsection (a), the municipality shall notify the comptroller of
10 the scheduled expiration. The comptroller may delay the scheduled
11 expiration date if the comptroller notifies the municipality that
12 more time is required. The comptroller must provide a new
13 expiration date that is not later than the last day of the first
14 calendar quarter occurring after the notification to the
15 comptroller.

16 SECTION 2. Section 327.0075. REAUTHORIZATION OF TAX FOR
17 CERTAIN MUNICIPALITIES. (a) This section only applies to a
18 municipality which:

19 (1) has already held at least two elections authorized by
20 this Chapter, and

21 (2) at least 66 percent of the voters in the last two
22 consecutive elections authorized by this Chapter approved of the
23 tax.

24 (b) A municipality to which this section applies may, by
25 ordinance, elect to call a reauthorization election held in the
26 same manner as an election to adopt the tax under Section 327.006,
27 except the ballot proposition shall be prepared to permit voting

1 for or against the proposition: "The reauthorization of the local
2 sales and use tax for eight years in (name of municipality) at the
3 rate of (insert appropriate rate) to continue providing revenue for
4 maintenance and repair of municipal streets."

5 SECTION 3. Section 327.008, Tax Code, is amended to read as
6 follow:

7 Sec. 327.008. USE OF TAX REVENUE. Revenue from the tax
8 imposed under this chapter may be used only to maintain and repair
9 municipal streets and sidewalks existing on the date of the
10 election to adopt the tax.

11 SECTION 4. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section 39, Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2011.