

1-1 By: Smith of Tarrant (Senate Sponsor - Wentworth) H.B. No. 2972
1-2 (In the Senate - Received from the House May 6, 2011;
1-3 May 9, 2011, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 19, 2011, reported favorably by
1-5 the following vote: Yeas 5, Nays 0; May 19, 2011, sent to
1-6 printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the municipal sales and use tax for street maintenance.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 327.007, Tax Code, is amended by
1-12 amending Subsections (a) and (b) and adding Subsection (b-1) to
1-13 read as follows:

1-14 (a) Unless imposition of the sales and use tax authorized by
1-15 this chapter is reauthorized as provided by this section, the tax
1-16 expires on:

1-17 (1) the fourth anniversary of the date the tax
1-18 originally took effect under Section 327.005; or

1-19 (2) the first day of the first calendar quarter
1-20 occurring after:

1-21 (A) the fourth anniversary of the date the tax
1-22 was last reauthorized under Subsection (b); or

1-23 (B) the eighth anniversary of the date the tax
1-24 was last reauthorized under Subsection (b-1) [~~this section~~].

1-25 (b) An election to reauthorize the tax for a period of four
1-26 years is called and held in the same manner as an election to adopt
1-27 the tax under Section 327.006, except the ballot proposition shall
1-28 be prepared to permit voting for or against the proposition: "The
1-29 reauthorization of the local sales and use tax in (name of
1-30 municipality) at the rate of (insert appropriate rate) to continue
1-31 providing revenue for maintenance and repair of municipal streets.
1-32 The tax expires on the fourth anniversary of the date the tax takes
1-33 effect unless the imposition of the tax is reauthorized."

1-34 (b-1) This subsection applies only to a municipality in
1-35 which 66 percent or more of the voters voting in each of the last two
1-36 consecutive elections concerning the adoption or reauthorization
1-37 of the tax authorized by this chapter favored adoption or
1-38 reauthorization and in which the tax has not expired as provided by
1-39 Subsection (a) since the first of those two consecutive elections.
1-40 A municipality to which this subsection applies may call an
1-41 election to reauthorize the tax for a period of eight years instead
1-42 of four years. The election is called and held in the same manner as
1-43 an election to adopt the tax under Section 327.006, except the
1-44 ballot proposition shall be prepared to permit voting for or
1-45 against the proposition: "The reauthorization of the local sales
1-46 and use tax in (name of municipality) at the rate of (insert
1-47 appropriate rate) to continue providing revenue for maintenance and
1-48 repair of municipal streets. The tax expires on the eighth
1-49 anniversary of the date the tax takes effect unless the imposition
1-50 of the tax is reauthorized."

1-51 SECTION 2. Section 327.008, Tax Code, is amended to read as
1-52 follows:

1-53 Sec. 327.008. USE OF TAX REVENUE. Revenue from the tax
1-54 imposed under this chapter may be used only to maintain and repair
1-55 municipal streets or sidewalks existing on the date of the election
1-56 to adopt the tax.

1-57 SECTION 3. This Act takes effect immediately if it receives
1-58 a vote of two-thirds of all the members elected to each house, as
1-59 provided by Section 39, Article III, Texas Constitution. If this
1-60 Act does not receive the vote necessary for immediate effect, this
1-61 Act takes effect September 1, 2011.

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