

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 16, 2011

TO: Honorable Harvey Hilderbran, Chair, House Committee on Ways & Means

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2016 by Martinez Fischer (Relating to the operation of certain rapid transit authorities, including the power to repeal the local sales and use tax exemption for telecommunications services and the use of revenue from the tax.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 322 of the Tax Code, regarding sales and use taxes for special purpose taxing authorities, to require that a transportation authority created before 1980 in which the principal municipality has a population of less than 1.5 million could not repeal an exemption of the local sales and use tax for telecommunications services unless the repeal was approved by the authority's committee charged with approving fares, tolls, and other charges. Revenue resulting from an exemption repeal could only be used to provide transportation services to persons with disabilities. The reinstatement of such an exemption would be approved in the same manner.

The bill would amend Chapter 451 of the Transportation Code, regarding metropolitan transportation authorities, to require authorities in which the principal municipality has a population of under 1.5 million to receive the approval of a committee for changes in fares, tolls, and other charges. Under current law the population threshold for the principal municipality is 1.2 million.

The bill would have no state revenue implications.

This bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2011.

Local Government Impact

Depending on the change in exemptions there could be an indeterminate change in local sales and use tax revenue.

Source Agencies: 304 Comptroller of Public Accounts

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