

BILL ANALYSIS

H.B. 1655
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Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law authorizes a municipality to adopt a street maintenance sales tax at an election held in the municipality, with an election to reauthorize the tax to be held every four years. According to interested parties, reauthorization of the tax has been repeatedly approved in some cities.

H.B. 1655 seeks to allow the citizens of certain cities to hold an election to reauthorize a street maintenance sales tax less frequently with the goal of improving those cities' ability to secure financing for certain road repairs.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1655 amends the Tax Code to make the expiration of the municipal sales and use tax for street maintenance on the first day of the first calendar quarter occurring after the fourth anniversary of the date the tax was last reauthorized contingent on the voters approving the imposition of the tax for a period that expires on that anniversary at the reauthorizing election. The bill sets the expiration for such a tax imposed in a general-law municipality with a population of 10,000 or more surrounded entirely by a municipality with a population of 1.3 million or more on the last day of the first calendar quarter occurring after the 10th anniversary of the date the tax was last reauthorized contingent on the voters approving, at the reauthorizing election, the imposition of the tax for a period that expires on that anniversary instead of the first day of the first calendar quarter occurring after the four-year reauthorization anniversary. The bill expands the ballot language in an election to reauthorize the tax to include a reference to the tax's expiration.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.