

By: Reynolds

H.B. No. 3634

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the authority of a municipality to impose a local tax on
3 the sale of certain motor fuel and to the use of the tax revenue by
4 the municipality; authorizing penalties.

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

6 SECTION 1. Subtitle C, Title 3, Tax Code, is amended by
7 adding Chapter 329 to read as follows:

8 CHAPTER 329. MUNICIPAL MOTOR FUEL SALES TAX FOR TRANSPORTATION

9 PURPOSES

10 Sec. 329.001. DEFINITIONS. In this chapter:

11 (1) "Compressed natural gas" has the meaning assigned
12 by Section 162.001.

13 (2) "Dealer" has the meaning assigned by Section
14 162.001.

15 (3) "Diesel fuel" has the meaning assigned by Section
16 162.001.

17 (4) "Diesel gallon equivalent" has the meaning
18 assigned by Section 162.001.

19 (5) "Gasoline" has the meaning assigned by Section
20 162.001.

21 (6) "Gasoline gallon equivalent" has the meaning
22 assigned by Section 162.001.

23 (7) "Liquefied natural gas" has the meaning assigned
24 by Section 162.001.

1 (8) "Motor fuel" means gasoline, diesel fuel,
2 compressed natural gas, or liquefied natural gas.

3 (9) "Motor vehicle" has the meaning assigned by
4 Section 162.001.

5 (10) "Net gallon" has the meaning assigned by Section
6 162.001.

7 (11) "Public highway" has the meaning assigned by
8 Section 162.001.

9 (12) "Sale" has the meaning assigned by Section
10 162.001.

11 Sec. 329.002. TAX ON SALE OF MOTOR FUEL AUTHORIZED.
12 Notwithstanding Section 162.014, Tax Code, a municipality, by
13 ordinance adopted by the governing body of the municipality, may
14 impose a tax on the sale of motor fuel sold in the municipality to
15 propel a motor vehicle on the public highways of this state if
16 imposition of the tax is approved at an election called for that
17 purpose and held in the municipality.

18 Sec. 329.003. RATE OF TAX. The tax authorized by this
19 chapter may be imposed in increments of one cent for each net gallon
20 of gasoline or diesel fuel or each gasoline gallon equivalent or
21 diesel gallon equivalent of compressed natural gas or liquefied
22 natural gas sold in the municipality to propel a motor vehicle on
23 the public highways of this state, with a maximum rate of five cents
24 for each net gallon, gasoline gallon equivalent, or diesel gallon
25 equivalent.

26 Sec. 329.004. ADOPTION ELECTION PROCEDURE. (a) An
27 election to adopt the tax authorized by this chapter is called by an

1 ordinance adopted by the governing body of the municipality.

2 (b) At an election to adopt the tax, the ballot shall be
3 prepared to permit voting for or against the proposition: "The
4 adoption of a local tax on the sale of motor fuel in (insert name of
5 municipality) at the maximum rate of five cents per gallon."

6 Sec. 329.005. COMPUTATION OF TAX. (a) A person, including
7 a dealer, who makes a sale of motor fuel in a municipality
8 authorized to impose the tax to a person who uses the motor fuel to
9 propel a motor vehicle on the public highways of this state shall
10 collect the tax authorized by this chapter for the benefit of the
11 municipality.

12 (b) The seller shall add the amount of the tax authorized by
13 this chapter to the selling price of motor fuel, and the tax is a
14 part of the motor fuel price, is a debt owed to the seller, and is
15 recoverable at law in the same manner as the fuel charge for motor
16 fuel.

17 (c) The tax authorized by this chapter is in addition to the
18 tax imposed by Chapter 162.

19 Sec. 329.006. EXEMPTIONS APPLICABLE. The exemptions
20 provided by Sections 162.104, 162.204, and 162.356 apply to the tax
21 authorized by this chapter.

22 Sec. 329.007. EFFECTIVE DATE OF TAX. After the imposition
23 of the tax has been approved in a municipality, the governing body
24 of the municipality shall issue an ordinance prescribing the date
25 the adoption of the tax will take effect. The tax may not be
26 collected before the 90th day after the date the election results
27 are canvassed.

1 Sec. 329.008. COLLECTION AND ENFORCEMENT OF TAX. (a) A
2 person, including a dealer, required to collect the tax authorized
3 by this chapter shall report and send the taxes to the comptroller
4 as provided by the comptroller.

5 (b) The comptroller or municipality, as appropriate, may
6 prescribe monetary penalties, including interest charges, for
7 failure to keep records required by this chapter, to report when
8 required, or to pay the tax when due.

9 Sec. 329.009. REFUND. (a) A person who has paid the tax
10 authorized by this chapter on motor fuel used by the person for a
11 purpose other than to propel a motor vehicle on the public highways
12 of this state or for a use exempted under Section 329.006 may file a
13 claim for a refund.

14 (b) The comptroller shall prescribe the procedures a person
15 must use to obtain a refund under this section.

16 Sec. 329.010. ALLOCATION OF TAXES. (a) Not later than the
17 last day of the first month following each calendar quarter, the
18 comptroller shall send to the municipality an amount equal to
19 three-fourths of the taxes collected during that calendar quarter
20 after payment of all refunds allowed by law and expenses of
21 collection.

22 (b) The comptroller shall deposit one-fourth of the taxes
23 collected to the credit of the available school fund.

24 Sec. 329.011. USE OF TAX PROCEEDS. Except as provided by
25 Section 329.010, a municipality may use net tax revenue received
26 under this chapter only for:

27 (1) the construction, maintenance, repair, and

1 rehabilitation of streets, roads, intersections, thoroughfares,
2 and bridges located in the municipality; and

3 (2) the purchase, installation, maintenance, and
4 operation of traffic improvements, including signs, signals, and
5 other mechanical, digital, or electronic traffic control devices,
6 located in the municipality.

7 SECTION 2. This Act takes effect September 1, 2015.