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By:  Minjarez H.B. No. 3258

A BILL TO BE ENTITLED

AN ACT

relating to an authorization to increase the sales and use tax collected in an advanced transportation district of a metropolitan rapid transit authority.

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

SECTION 1.  Section 451.405(a), Transportation Code, is amended to read as follows:

(a)  Except as provided by Section 451.706, an [~~An~~] authority may not adopt a sales and use tax rate, including a rate increase, that when combined with the rates of all sales and use taxes imposed by other political subdivisions of the state having territory in the authority exceeds two percent in any location in the authority.

SECTION 2.  Sections 451.702(a) and (e), Transportation Code, are amended to read as follows:

(a)  The board of an authority in which the sales and use tax is imposed at a rate of one-half of one percent and in which the principal municipality has a population of more than 1.3 million may order an election to create an advanced transportation district within the authority's boundaries and to impose a sales and use tax for advanced transportation and mobility enhancement under this subchapter.  If approved at the election, the rate of the initial sales and use tax for advanced transportation and mobility enhancement shall be set by the governing body of the district at a rate of:

(1)  one-eighth of one percent;

(2)  one-fourth of one percent;

(3)  three-eighths of one percent; or

(4)  one-half of one percent.

(e)  The proceeds of the sales and use tax imposed under this subchapter [~~section~~] shall be used by the district only for:

(1)  advanced transportation and mobility enhancement purposes as provided by Subsections (f)-(j); and

(2)  reimbursement to the authority for the cost of an election held under this section.

SECTION 3.  Subchapter O, Chapter 451, Transportation Code, is amended by adding Section 451.7051 to read as follows:

Sec. 451.7051.  RATE INCREASE: SALES AND USE TAX. (a) The board of an authority containing a district may order an election to increase the district's sales and use tax rate by any rate that is an increment of one-eighth of one percent, not to exceed one-half of one percent.

(b)  The registered voters of the district, by petition, may require an election to increase the district's sales and use tax rate by a rate described by Subsection (a).

(c)  A petition to increase the rate of the district's sales and use tax is valid only if it is submitted to the board and signed by at least 10 percent of the district's registered voters as determined by the most recent official list of registered voters.

(d)  The board shall submit a petition for an election to increase the district's sales and use tax rate to the secretary of state.

(e)  The secretary of state shall determine the validity of a petition not later than the 30th day after the date the petition is received by the secretary and shall notify the board of the result of the determination.

(f)  The board shall call an election to increase the tax rate if the secretary determines that a petition is valid or if the secretary fails to act within the period required by Subsection (e).

(g)  The authority shall pay the costs of determining the validity of a petition and the costs of the election.

(h)  In an election for the increase of a district's sales and use tax rate, the ballots shall be printed to provide for voting for or against the following proposition: "The increase of the district's sales and use tax rate to a rate of (insert appropriate rate)."

(i)  If a majority of the votes received in an election to increase the rate of a district's sales and use tax favor the proposition, the rate change takes effect as provided by Section 451.706(c).

(j)  The authority shall send a notice of the election and a certified copy of the order canvassing the results of the election to the Texas Department of Transportation and the comptroller. The authority shall file a notice and a certified copy of the order in the deed records of each county in which the district is located in the same manner as the results of a confirmation election are filed.

(k)  An election by an authority to increase the rate of the district's sales and use tax has no effect if:

(1)  the voters of the district approve the district's sales and use tax rate or rate increase at an election held on the same day on which a municipality or county having territory within the district adopts a sales and use tax or an additional sales and use tax; and

(2)  the combined rates of all sales and use taxes imposed by the district and other political subdivisions of the state would exceed 2.5 percent in any location in the district.

SECTION 4.  Section 451.706(a), Transportation Code, is amended to read as follows:

(a)  A district may not adopt or increase a sales and use tax rate if, as a result of the adoption or increase, the [~~The~~] combined rate of all sales and use taxes imposed by the district and all other political subdivisions of this state would [~~may not~~] exceed 2.5 [~~two~~] percent in any location in the district.

SECTION 5.  This Act takes effect September 1, 2019.