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H.B. No. 3258

A BILL TO BE ENTITLED

AN ACT

1
2 relating to an authorization to increase the sales and use tax
3 collected in an advanced transportation district of a metropolitan
4 rapid transit authority.

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

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

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

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

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

- 1 (1) one-eighth of one percent;
- 2 (2) one-fourth of one percent;
- 3 (3) three-eighths of one percent; or
- 4 (4) one-half of one percent.

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

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

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

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

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

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

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

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

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

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

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

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

16 (i) If a majority of the votes received in an election to
17 increase the rate of a district's sales and use tax favor the
18 proposition, the rate change takes effect as provided by Section
19 451.706(c).

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

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

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

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

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

11 (a) A district may not adopt or increase a sales and use tax
12 rate if, as a result of the adoption or increase, the [The] combined
13 rate of all sales and use taxes imposed by the district and all
14 other political subdivisions of this state would [may not] exceed
15 2.5 [two] percent in any location in the district.

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