

By: Dutton

H.B. No. 4748

A BILL TO BE ENTITLED

AN ACT

relating to the authority of the Near Northside Management District to impose a sales and use tax.

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

SECTION 1. Chapter 3905, Special District Local Laws Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. SALES AND USE TAX

Sec. 3905.251. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by this subchapter except to the extent Chapter 321, Tax Code, is inconsistent with this chapter.

(b) For the purposes of this subchapter, a reference in Chapter 321, Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

Sec. 3905.252. ELECTION; ADOPTION OF TAX. (a) The district may adopt a sales and use tax if authorized by a majority of the voters of the district voting at an election held for that purpose.

(b) The board by order may call an election to authorize the adoption of the sales and use tax. The election may be held on any uniform election date and in conjunction with any other district election.

(c) The district shall provide notice of the election and

1 shall hold the election in the manner prescribed by Section  
2 3905.201.

3 (d) The ballot shall be printed to provide for voting for or  
4 against the proposition: "Authorization of a sales and use tax in  
5 the Near Northside Management District at a rate not to exceed \_\_\_\_\_  
6 percent" (insert rate of one or more increments of one-eighth of one  
7 percent).

8 Sec. 3905.253. SALES AND USE TAX RATE. (a) After the date  
9 the results are declared of an election held under Section 3905.252  
10 at which the voters authorized imposition of a tax, the board shall  
11 provide by resolution or order the initial rate of the tax, which  
12 must be in one or more increments of one-eighth of one percent.

13 (b) After the authorization of a tax under Section 3905.252,  
14 the board may increase or decrease the rate of the tax by one or more  
15 increments of one-eighth of one percent.

16 (c) The board may not decrease the rate of the tax if the  
17 decrease would impair the repayment of any outstanding debt or  
18 obligation payable from the tax.

19 (d) The initial rate of the tax or any rate resulting from  
20 subsequent increases or decreases may not exceed the lesser of:

21 (1) the maximum rate authorized at the election held  
22 under Section 3905.252; or

23 (2) a rate that, when added to the rates of all sales  
24 and use taxes imposed by other political subdivisions with  
25 territory in the district, would result in the maximum combined  
26 rate prescribed by Section 321.101(f), Tax Code, at any location in  
27 the district.

1       (e) In determining whether the combined sales and use tax  
2 rate under Subsection (d)(2) would exceed the maximum combined rate  
3 prescribed by Section 321.101(f), Tax Code, at any location in the  
4 district, the board shall include:

5           (1) any sales and use tax imposed by a political  
6 subdivision whose territory overlaps all or part of the district;

7           (2) any sales and use tax to be imposed by the city or  
8 the county as a result of an election held on the same date as the  
9 election held under Section 3905.252; and

10          (3) any increase to an existing sales and use tax  
11 imposed by the city or the county as a result of an election held on  
12 the same date as the election held under Section 3905.252.

13       Sec. 3905.254. NOTIFICATION OF RATE CHANGE. The board  
14 shall notify the comptroller of any changes made to the tax rate  
15 under this subchapter in the same manner the municipal secretary  
16 provides notice to the comptroller under Section 321.405(b), Tax  
17 Code.

18       Sec. 3905.255. USE OF REVENUE. Revenue from the sales and  
19 use tax imposed under this subchapter is for the use and benefit of  
20 the district and may be used for any district purpose. The district  
21 may pledge all or part of the revenue to the payment of bonds,  
22 notes, or other obligations, and that pledge of revenue may be in  
23 combination with other revenue, including tax revenue, available to  
24 the district.

25       Sec. 3905.256. ABOLITION OF TAX. (a) Except as provided by  
26 Subsection (b), the board may abolish the tax imposed under this  
27 subchapter without an election.

1        (b) The board may not abolish the tax imposed under this  
2 subchapter if the district has any outstanding debt or obligation  
3 secured by the tax, and repayment of the debt or obligation would be  
4 impaired by the abolition of the tax.

5        (c) If the board abolishes the tax, the board shall notify  
6 the comptroller of that action in the same manner the municipal  
7 secretary provides notice to the comptroller under Section  
8 321.405(b), Tax Code.

9        (d) If the board abolishes the tax or decreases the tax rate  
10 to zero, a new election to authorize a sales and use tax must be held  
11 under Section 3905.252 before the district may subsequently impose  
12 the tax.

13        SECTION 2. (a) The legal notice of the intention to  
14 introduce this Act, setting forth the general substance of this  
15 Act, has been published as provided by law, and the notice and a  
16 copy of this Act have been furnished to all persons, agencies,  
17 officials, or entities to which they are required to be furnished  
18 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
19 Government Code.

20        (b) The governor, one of the required recipients, has  
21 submitted the notice and Act to the Texas Commission on  
22 Environmental Quality.

23        (c) The Texas Commission on Environmental Quality has filed  
24 its recommendations relating to this Act with the governor,  
25 lieutenant governor, and speaker of the house of representatives  
26 within the required time.

27        (d) All requirements of the constitution and laws of this

1 state and the rules and procedures of the legislature with respect  
2 to the notice, introduction, and passage of this Act have been  
3 fulfilled and accomplished.

4 SECTION 3. This Act takes effect immediately if it receives  
5 a vote of two-thirds of all the members elected to each house, as  
6 provided by Section 39, Article III, Texas Constitution. If this  
7 Act does not receive the vote necessary for immediate effect, this  
8 Act takes effect September 1, 2019.