

1-1 By: Dutton (Senate Sponsor - Miles) H.B. No. 4748  
 1-2 (In the Senate - Received from the House May 13, 2019;  
 1-3 May 14, 2019, read first time and referred to Committee on  
 1-4 Intergovernmental Relations; May 20, 2019, reported adversely,  
 1-5 with favorable Committee Substitute by the following vote: Yeas 7,  
 1-6 Nays 0; May 20, 2019, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR H.B. No. 4748 By: Alvarado

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the authority of the Near Northside Management District  
 1-20 to impose a sales and use tax and finance a project or service.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 3905.151, Special District Local Laws  
 1-23 Code, is amended to read as follows:

1-24 Sec. 3905.151. PETITION REQUIRED FOR FINANCING SERVICES AND  
 1-25 IMPROVEMENTS. (a) The board may not finance a service or an  
 1-26 improvement project under this chapter unless a written petition  
 1-27 requesting that service or improvement is filed with the board.

1-28 (b) The petition must be signed by ~~+~~  
 1-29 ~~[(1)]~~ the owners of at least 60 percent ~~[a majority]~~ of  
 1-30 the assessed value of real property in the district according to the  
 1-31 most recent certified tax appraisal roll for the county ~~[, or~~

1-32 ~~[(2) at least 25 owners of land in the district, if~~  
 1-33 ~~more than 25 persons own property in the district according to the~~  
 1-34 ~~most recent certified tax appraisal roll for the county].~~

1-35 SECTION 2. Chapter 3905, Special District Local Laws Code,  
 1-36 is amended by adding Subchapter F to read as follows:

1-37 SUBCHAPTER F. SALES AND USE TAX  
 1-38 Sec. 3905.251. APPLICABILITY OF CERTAIN TAX CODE  
 1-39 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,  
 1-40 computation, administration, enforcement, and collection of the  
 1-41 sales and use tax authorized by this subchapter except to the extent  
 1-42 Chapter 321, Tax Code, is inconsistent with this chapter.

1-43 (b) For the purposes of this subchapter, a reference in  
 1-44 Chapter 321, Tax Code, to a municipality or the governing body of a  
 1-45 municipality is a reference to the district or the board,  
 1-46 respectively.

1-47 Sec. 3905.252. ELECTION; ADOPTION OF TAX. (a) The district  
 1-48 may adopt a sales and use tax if authorized by a majority of the  
 1-49 voters of the district voting at an election held for that purpose.

1-50 (b) The board by order may call an election to authorize the  
 1-51 adoption of the sales and use tax. The election may be held on any  
 1-52 uniform election date and in conjunction with any other district  
 1-53 election.

1-54 (c) The district shall provide notice of the election and  
 1-55 shall hold the election in the manner prescribed by Chapter 49,  
 1-56 Water Code, for district elections.

1-57 (d) The ballot shall be printed to provide for voting for or  
 1-58 against the proposition: "Authorization of a sales and use tax in  
 1-59 the Near Northside Management District at a rate not to exceed \_\_\_\_\_  
 1-60 percent" (insert rate of one or more increments of one-eighth of one

2-1 percent).

2-2 Sec. 3905.253. SALES AND USE TAX RATE. (a) After the date  
 2-3 the results are declared of an election held under Section 3905.252  
 2-4 at which the voters authorized imposition of a tax, the board shall  
 2-5 provide by resolution or order the initial rate of the tax, which  
 2-6 must be in one or more increments of one-eighth of one percent and  
 2-7 may not exceed the maximum rate authorized at the election.

2-8 (b) After the authorization of a tax under Section 3905.252,  
 2-9 the board may decrease the rate of the tax by one or more increments  
 2-10 of one-eighth of one percent.

2-11 (c) The board may not decrease the rate of the tax if the  
 2-12 decrease would impair the repayment of any outstanding debt or  
 2-13 obligation payable from the tax.

2-14 (d) The board may by resolution or order increase the rate  
 2-15 of the tax if the increase is approved at an election held in the  
 2-16 manner prescribed by Section 3905.252. The board may increase the  
 2-17 rate of the tax by one or more increments of one-eighth of one  
 2-18 percent.

2-19 Sec. 3905.254. ADDITIONAL RATE REQUIREMENTS. (a) Except  
 2-20 as provided by Subsection (c), the rate of a sales and use tax  
 2-21 imposed under this subchapter may not result in a combined rate of  
 2-22 all sales and use taxes imposed by political subdivisions having  
 2-23 territory in the district exceeding two percent at any location in  
 2-24 the district.

2-25 (b) In determining whether the combined sales and use tax  
 2-26 rate would exceed two percent at any location in the district, the  
 2-27 board shall include:

2-28 (1) any sales and use tax imposed by a political  
 2-29 subdivision whose territory overlaps all or part of the district;

2-30 (2) any sales and use tax to be imposed by the city or  
 2-31 the county as a result of an election held on the same date as the  
 2-32 election held under Section 3905.252; and

2-33 (3) any increase to an existing sales and use tax  
 2-34 imposed by the city or the county as a result of an election held on  
 2-35 the same date as the election held under Section 3905.252.

2-36 (c) If the adoption or increase of a tax under this  
 2-37 subchapter would result in a combined tax rate of more than two  
 2-38 percent in any location in the district that is also in the  
 2-39 territory of a metropolitan rapid transit authority that imposes a  
 2-40 sales and use tax under Chapter 451, Transportation Code, the  
 2-41 election to approve or increase the tax under this subchapter is to  
 2-42 be treated for all purposes as an election to reduce the tax rate of  
 2-43 the metropolitan rapid transit authority in the district to the  
 2-44 highest rate that will not result in a combined tax rate of more  
 2-45 than two percent in any location in the district. The ballot at an  
 2-46 election to impose or increase the tax must clearly state that the  
 2-47 adoption or increase of the tax will result in a reduction of the  
 2-48 tax rate of the metropolitan rapid transit authority in the  
 2-49 district. The district may not adopt a tax rate under this  
 2-50 subchapter that results in the reduction of the tax rate of the  
 2-51 metropolitan rapid transit authority to zero.

2-52 (d) After an election described by Subsection (c) at which  
 2-53 the tax rate of the metropolitan rapid transit authority is  
 2-54 decreased, the metropolitan rapid transit authority may designate  
 2-55 the territory of the authority in the district as a subregion in  
 2-56 which the authority provides services according to the proportion  
 2-57 of sales and use tax revenue collected by the authority in the  
 2-58 subregion compared to revenue collected in the rest of the  
 2-59 territory of the authority.

2-60 (e) The rate of the sales and use tax imposed by the  
 2-61 metropolitan rapid transit authority in the district is increased  
 2-62 without further action of the board of the authority, the voters of  
 2-63 the authority, or the district on the date on which the tax imposed  
 2-64 by the district under this subchapter is decreased or expires, but  
 2-65 only to the extent that:

2-66 (1) any tax imposed by the authority was reduced under  
 2-67 this section when the tax imposed by the district was adopted or  
 2-68 increased; and

2-69 (2) the increased rate complies with other law

3-1 applicable to the authority's tax rate.  
3-2 Sec. 3905.255. NOTIFICATION OF RATE CHANGE. The board  
3-3 shall notify the comptroller of any changes made to the tax rate  
3-4 under this subchapter in the same manner the municipal secretary  
3-5 provides notice to the comptroller under Section 321.405(b), Tax  
3-6 Code.

3-7 Sec. 3905.256. USE OF REVENUE. Revenue from the sales and  
3-8 use tax imposed under this subchapter is for the use and benefit of  
3-9 the district and may be used for any district purpose. The district  
3-10 may pledge all or part of the revenue to the payment of bonds,  
3-11 notes, or other obligations, and that pledge of revenue may be in  
3-12 combination with other revenue, including tax revenue, available to  
3-13 the district.

3-14 Sec. 3905.257. ABOLITION OF TAX. (a) Except as provided by  
3-15 Subsection (b), the board may abolish the tax imposed under this  
3-16 subchapter without an election.

3-17 (b) The board may not abolish the tax imposed under this  
3-18 subchapter if the district has any outstanding debt or obligation  
3-19 secured by the tax, and repayment of the debt or obligation would be  
3-20 impaired by the abolition of the tax.

3-21 (c) If the board abolishes the tax, the board shall notify  
3-22 the comptroller of that action in the same manner the municipal  
3-23 secretary provides notice to the comptroller under Section  
3-24 321.405(b), Tax Code.

3-25 (d) If the board abolishes the tax or decreases the tax rate  
3-26 to zero, a new election to authorize a sales and use tax must be held  
3-27 under Section 3905.252 before the district may subsequently impose  
3-28 the tax.

3-29 SECTION 3. (a) The legal notice of the intention to  
3-30 introduce this Act, setting forth the general substance of this  
3-31 Act, has been published as provided by law, and the notice and a  
3-32 copy of this Act have been furnished to all persons, agencies,  
3-33 officials, or entities to which they are required to be furnished  
3-34 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
3-35 Government Code.

3-36 (b) The governor, one of the required recipients, has  
3-37 submitted the notice and Act to the Texas Commission on  
3-38 Environmental Quality.

3-39 (c) The Texas Commission on Environmental Quality has filed  
3-40 its recommendations relating to this Act with the governor,  
3-41 lieutenant governor, and speaker of the house of representatives  
3-42 within the required time.

3-43 (d) All requirements of the constitution and laws of this  
3-44 state and the rules and procedures of the legislature with respect  
3-45 to the notice, introduction, and passage of this Act have been  
3-46 fulfilled and accomplished.

3-47 SECTION 4. This Act takes effect immediately if it receives  
3-48 a vote of two-thirds of all the members elected to each house, as  
3-49 provided by Section 39, Article III, Texas Constitution. If this  
3-50 Act does not receive the vote necessary for immediate effect, this  
3-51 Act takes effect September 1, 2019.

3-52 \* \* \* \* \*