2023S0293-T 03/10/23

By:  Schwertner S.B. No. 2435

A BILL TO BE ENTITLED

AN ACT

relating to the imposition of sales and use tax after a municipality annexes an area in an emergency services district.

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

SECTION 1.  Subchapter E, Chapter 775, Health and Safety Code, is amended by adding Section 775.0755 to read as follows:

Sec. 775.0755.  SALES AND USE TAX AFTER CERTAIN ANNEXATIONS. (a) This section applies when:

(1)  a municipality annexes for full purposes part of a district that imposes a sales and use tax;

(2)  the annexed area is not removed from the district; and

(3)  the municipality intends to be the sole provider of emergency services to the area.

(b)  Section 321.102(f), Tax Code, does not apply to a reduction of the tax rate of the district required by Section 321.102(e) of that code.

(c)  If an election is required for the annexation under Chapter 43, Local Government Code, the ballot must include the following language: "If the annexation is approved, a portion of the sales and use tax previously collected by\_\_\_\_\_\_\_\_\_\_(insert name of the district) will instead be collected by\_\_\_\_\_\_\_\_\_\_(insert name of the municipality)."

SECTION 2.  This Act takes effect September 1, 2023.