

BILL ANALYSIS

S.B. 1277
By: Parker
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The street maintenance tax, or SMR, is a special sales tax in the Tax Code used by some cities to repair streets and sidewalks. The bill sponsor has informed the committee that these cities would otherwise not have the funds to maintain these important components of mobility infrastructure in their communities. Current law establishes that SMR expires for most cities four years after it was approved by voters unless voters reauthorize the continued collection of SMR in an election, and that the reauthorization term is extended to 8 or 10 years for certain cities excepted from the four-year reauthorization term. S.B. 1277 seeks to extend the reauthorization period to 10 years for the City of Coppell, as long as the other criteria under current law are also satisfied, and to affirm the uses of SMR.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1277 amends the Tax Code to establish that if the municipal sales and use tax for street maintenance is imposed in a municipality with a population of less than 50,000, that includes a portion of an international airport, and that is located in only two counties, one of which has a population of 2.2 million or more and is adjacent to a county with a population of more than 600,000, unless the imposition of the tax is reauthorized, the tax expires on the last day of the first calendar quarter occurring after the 10th anniversary of the date the tax was last reauthorized, if, at that election, the voters approved the imposition of the tax for a period that expires on that anniversary instead of the first day of the first calendar quarter occurring after the fourth anniversary of the date the tax was last reauthorized.

S.B. 1277 also applicably clarifies the ballot language for an election to reauthorize a municipal sales and use tax for street maintenance. This provision applies only to ballot language for an election ordered on or after the bill's effective date. Ballot language for an election ordered before the bill's effective date is governed by the law in effect when the election was ordered.

S.B. 1277 includes the maintenance and repair of a municipal water, wastewater, or stormwater system located in the width of a way of a municipal street among the authorized uses of revenue from the municipal sales and use tax for street maintenance and removes the restriction that the streets and sidewalks for which that revenue may be used exist on the date of the election to adopt the tax.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.