

By: Parker
(Garcia Hernandez)

S.B. No. 1277

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the municipal sales and use tax for street maintenance.

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

4 SECTION 1. Sections 327.007(a) and (b), Tax Code, are
5 amended to read as follows:

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1 reauthorized under this section if, at that election, the voters
2 approved the imposition of the tax for a period that expires on that
3 anniversary instead of the period described by Subdivision (2):

21 (b) An election to reauthorize the tax is called and held in
22 the same manner as an election to adopt the tax under Section
23 327.006, except the ballot proposition shall be prepared to permit
24 voting for or against the proposition: "The reauthorization of the
25 local sales and use tax in (name of municipality) at the rate of
26 (insert appropriate rate) to continue providing revenue for
27 maintenance and repair of municipal streets. The tax expires on the

1 (insert "first day of the first calendar quarter occurring after
2 the fourth anniversary" or "last day of the first calendar quarter
3 occurring after the (insert[~~T~~] eighth[~~T~~] or 10th anniversary, as
4 applicable)") [anniversary] of the date of this election unless the
5 imposition of the tax is reauthorized."

6 SECTION 2. Section 327.008, Tax Code, is amended to read as
7 follows:

8 Sec. 327.008. USE OF TAX REVENUE. Revenue from the tax
9 imposed under this chapter may be used only to maintain and repair a
10 municipal:

11 (1) street or sidewalk; or
12 (2) water, wastewater, or stormwater system located in
13 the width of a way of a municipal street [streets or sidewalks
14 existing on the date of the election to adopt the tax].

15 SECTION 3. The change in law made by this Act to Section
16 327.007(b), Tax Code, applies only to ballot language for an
17 election ordered on or after the effective date of this Act. Ballot
18 language for an election ordered before the effective date of this
19 Act is governed by the law in effect when the election was ordered.

20 SECTION 4. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2025.