

By: Parker

S.B. No. 1277

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the expiration of the municipal sales and use tax for
3 street maintenance in certain municipalities.

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

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

7 (a) Unless imposition of the sales and use tax authorized by
8 this chapter is reauthorized as provided by this section, the tax
9 expires on:

10 (1) the fourth anniversary of the date the tax
11 originally took effect under Section 327.005;

12 (2) the first day of the first calendar quarter
13 occurring after the fourth anniversary of the date the tax was last
14 reauthorized under this section if, at that election, the voters
15 approved the imposition of the tax for a period that expires on that
16 anniversary;

17 (2-a) if the tax is imposed in a municipality that is
18 intersected by two interstate highways, that has a population of
19 150,000 or more, and in which at least 66 percent of the voters
20 voting in each of the last two consecutive elections concerning the
21 adoption or reauthorization of the tax favored adoption or
22 reauthorization, and that tax has not expired as provided by
23 Subdivision (1) or (2) since the first of those two consecutive
24 elections, the last day of the first calendar quarter occurring

1 after the eighth anniversary of the date the tax was last
2 reauthorized under this section if, at that election, the voters
3 approved the imposition of the tax for a period that expires on that
4 anniversary instead of the period described by Subdivision (2);

5 (2-b) if the tax is imposed in a municipality with a
6 population of less than 50,000, that includes a portion of an
7 international airport, and that is located in only two counties,
8 one of which has a population of 2.2 million or more and is adjacent
9 to a county with a population of more than 600,000, the last day of
10 the first calendar quarter occurring after the 10th anniversary of
11 the date the tax was last reauthorized under this section if, at
12 that election, the voters approved the imposition of the tax for a
13 period that expires on that anniversary instead of the period
14 described by Subdivision (2); or

15 (3) if the tax is imposed in a municipality with a
16 population of more than 11,450 and less than 11,550, the last day of
17 the first calendar quarter occurring after the 10th anniversary of
18 the date the tax was last reauthorized under this section if, at
19 that election, the voters approved the imposition of the tax for a
20 period that expires on that anniversary instead of the period
21 described by Subdivision (2).

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

1 maintenance and repair of municipal streets. The tax expires on the
2 (insert "first day of the first calendar quarter occurring after
3 the fourth anniversary" or "last day of the first calendar quarter
4 occurring after the (insert[7] eighth[7] or 10th anniversary, as
5 applicable)") [~~anniversary~~] of the date of this election unless the
6 imposition of the tax is reauthorized."

7 SECTION 2. The change in law made by this Act to Section
8 327.007(b), Tax Code, applies only to ballot language for an
9 election ordered on or after the effective date of this Act. Ballot
10 language for an election ordered before the effective date of this
11 Act is governed by the law in effect when the election was ordered.

12 SECTION 3. This Act takes effect immediately if it receives
13 a vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution. If this
15 Act does not receive the vote necessary for immediate effect, this
16 Act takes effect September 1, 2025.