

BILL ANALYSIS

Senate Research Center

S.B. 1705
By: Wentworth
Intergovernmental Relations
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Enrolled

DIGEST AND PURPOSE

Current law prohibits a metropolitan transit authorities (MTA) from collecting a sales tax that includes telecommunications services unless it is approved by the majority of the members of the governing body of each municipality within the MTA service area. S.B. 1705 restructures the approval process for MTA repeal of the local sales and use tax exemption for telecommunications services.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 322.109, Tax Code, by amending Subsection (d) and adding Subsections (f), (g), and (h), as follows:

(d) Prohibits the governing board of a taxing entity created under Chapter 451, Transportation Code, from repealing the application of the exemption provided by Subsection (a) unless the repeal is first approved by a majority of the members of the governing body of each municipality that created the taxing entity, except as authorized by Subsection (f).

(f) Prohibits the governing board of a taxing entity created before 1980 in which the principal municipality has a population of less than 1.2 million from repealing the application of the exemption provided by Subsection (a) unless the repeal is first approved by a majority vote of a committee created under Section 451.061(d), Transportation Code. Requires a restatement of the exemption to be approved in the same manner.

(g) Provides that the imposition or collection of revenue resulting from a repeal of the application of the exemption provided by Subsection (a) under the procedure provided by Subsection (e) is tolled for any period during which the governing board obtains receipts from sales and use tax, collected for the purpose of an advanced transportation district created under Section 451.702, Transportation Code.

[S.B. 1705, as enrolled, does not contain a Subsection (h).]

SECTION 2. Effective date: upon passage or September 1, 2003.