

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 1705  
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Intergovernmental Relations  
3/26/2003  
Committee Report (Substituted)

### **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. C.S.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), adding Subsection (e), and relettering existing Subsection (e), 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 (e).
- (e) 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.
- (f) Redesignated from existing Subsection (e).

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

### **SUMMARY OF COMMITTEE CHANGES**

SECTION 1. Differs from the original proposed Section 322.109 by replacing existing text of the Tax Code and adding an exception authorized by Subsection (e).

Differs from the original proposed Section 322.109 by proposing a new Subsection (e) to prohibit the governing board of a taxing entity from repealing certain exemptions.

Differs from the original proposed Section 322.109 by redesignating existing Subsection (e) as Subsection (f).