

AN ACT

relating to the authority of certain taxing entities to repeal the local sales and use tax exemption for telecommunications services.

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

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

(d) The governing board of a taxing entity created under Chapter 451, Transportation Code, may not repeal 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). A reinstatement of the exemption must be approved in the same manner.

(f) The governing board of a taxing entity created before 1980 in which the principal municipality has a population of less than 1.2 million may not repeal 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. A reinstatement of the exemption must be approved in the same manner.

(g) 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

1 period during which the governing board obtains receipts from sales
2 and use tax, collected for the purpose of an advanced
3 transportation district created under Section 451.702,
4 Transportation Code.

5 SECTION 2. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect September 1, 2003.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1705 passed the Senate on April 16, 2003, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 31, 2003, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1705 passed the House, with amendments, on May 28, 2003, by the following vote: Yeas 144, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor