

1-1 By: Wentworth S.B. No. 1705
1-2 (In the Senate - Filed March 14, 2003; March 20, 2003, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; March 27, 2003, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 4, Nays 0;
1-6 March 27, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1705 By: Wentworth

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the authority of certain taxing entities to repeal the
1-11 local sales and use tax exemption for telecommunications services.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 322.109, Tax Code, is amended by
1-14 amending Subsection (d), adding a new Subsection (e), and
1-15 relettering existing Subsection (e) as Subsection (f) to read as
1-16 follows:

1-17 (d) The governing board of a taxing entity created under
1-18 Chapter 451, Transportation Code, may not repeal the application of
1-19 the exemption provided by Subsection (a) unless the repeal is first
1-20 approved by a majority of the members of the governing body of each
1-21 municipality that created the taxing entity, except as authorized
1-22 by Subsection (e). A reinstatement of the exemption must be
1-23 approved in the same manner.

1-24 (e) The governing board of a taxing entity created before
1-25 1980 in which the principal municipality has a population of less
1-26 than 1.2 million may not repeal the application of the exemption
1-27 provided by Subsection (a) unless the repeal is first approved by a
1-28 majority vote of a committee created under Section 451.061(d),
1-29 Transportation Code. A reinstatement of the exemption must be
1-30 approved in the same manner.

1-31 (f) A vote of a taxing entity board repealing the
1-32 application of or reinstating the exemption must be entered in the
1-33 minutes of the entity. The entity board chairman or secretary shall
1-34 send to the comptroller by United States certified or registered
1-35 mail a copy of each order adopted under this section. The repeal of
1-36 the application of the exemption or a reinstated exemption takes
1-37 effect within the entity on the first day of the first calendar
1-38 quarter after the expiration of the first complete calendar quarter
1-39 after the date on which the comptroller receives a copy of the
1-40 order.

1-41 SECTION 2. This Act takes effect immediately if it receives
1-42 a vote of two-thirds of all the members elected to each house, as
1-43 provided by Section 39, Article III, Texas Constitution. If this
1-44 Act does not receive the vote necessary for immediate effect, this
1-45 Act takes effect September 1, 2003.

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