

By: Hill

H.B. No. 2084

A BILL TO BE ENTITLED

AN ACT

relating to sales and use taxes by certain municipalities.

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

SECTION 1. Subtitle C, Title 3, Tax Code, is amended by adding Chapter 329 to read as follows:

CHAPTER 329. SALES AND USE TAXES BY CERTAIN MUNICIPALITIES

Sec. 329.001. DEFINITION. In this chapter, "transit sales and use tax" means a sales and use tax imposed for the support of transportation services authorized under the Transportation Code.

Sec. 329.002. APPLICABILITY. This chapter applies only to a municipality located wholly or partly in:

(1) one or both of two contiguous counties, each of which has a population of one million or more; or

(2) a county contiguous to one of the counties described in Subdivision (1).

Sec. 329.003. TRANSIT SALES AND USE TAX NOT COUNTED IN COMBINED LOCAL TAX RATE. Notwithstanding any other law, the rate of a transit sales and use tax imposed within the territory of a municipality to which this chapter applies may not be considered in determining the combined or overlapping rate of local sales and use taxes in the municipality for any purpose other than as provided in Section 329.004.

Sec. 329.004. LIMITATION FOR TRANSIT SALES AND USE TAXES. Notwithstanding any other law, the rate of all transit sales and

1 use taxes imposed within the territory of a municipality to which
2 this chapter applies may not exceed one percent at any location in
3 the municipality.

4 SECTION 2. Sections 321.101(b) and (e), Tax Code, are
5 amended to read as follows:

6 (b) A municipality that is not disqualified may, by a
7 majority vote of the qualified voters of the municipality voting at
8 an election held for that purpose, adopt an additional sales and use
9 tax for the benefit of the municipality in accordance with this
10 chapter. A municipality, other than a municipality to which
11 Chapter 329 applies, is disqualified from adopting the additional
12 sales and use tax if the municipality:

13 (1) is included within the boundaries of a rapid
14 transit authority created under Chapter 451, Transportation Code;

15 (2) is included within the boundaries of a regional
16 transportation authority created under Chapter 452, Transportation
17 Code, by a principal municipality having a population of less than
18 800,000, unless the municipality has a population of 400,000 or
19 more and is located in more than one county;

20 (3) is wholly or partly located in a county that
21 contains territory within the boundaries of a regional
22 transportation authority created under Chapter 452, Transportation
23 Code, by a principal municipality having a population in excess of
24 800,000, unless:

25 (A) the municipality is a contiguous
26 municipality; or

27 (B) the municipality is not included within the

1 boundaries of the authority and is located wholly or partly in a
2 county in which fewer than 250 persons are residents of both the
3 county and the authority according to the most recent federal
4 census; or

5 (C) the municipality is not and on January 1,
6 1993, was not included within the boundaries of the authority; or

7 (4) imposes a tax authorized by Chapter 453,
8 Transportation Code.

9 (e) An authority created under Chapter 451 or 452,
10 Transportation Code, is prohibited from imposing the tax provided
11 for by those chapters if within the boundaries of the authority
12 there is a municipality, other than a municipality to which Chapter
13 329 applies, that has adopted the additional sales and use tax
14 provided for by this section.

15 SECTION 3. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2007.