

1-1 By: Craddick (Senate Sponsor - Seliger) H.B. No. 279  
 1-2 (In the Senate - Received from the House April 15, 2019;  
 1-3 April 16, 2019, read first time and referred to Committee on Health  
 1-4 & Human Services; May 17, 2019, reported favorably by the following  
 1-5 vote: Yeas 9, Nays 0; May 17, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to authorizing the Midland County Hospital District of  
 1-20 Midland County, Texas, to impose a sales and use tax.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Chapter 1061, Special District Local Laws Code,  
 1-23 is amended by adding Subchapter G to read as follows:

1-24 SUBCHAPTER G. SALES AND USE TAX

1-25 Sec. 1061.301. TAX AUTHORIZED. (a) The district may adopt,  
 1-26 change the rate of, or abolish a sales and use tax at an election  
 1-27 held in the district.

1-28 (b) The district may not adopt a tax under this subchapter  
 1-29 or increase the rate of the tax if as a result of the adoption of the  
 1-30 tax or the tax increase the combined rate of all sales and use taxes  
 1-31 imposed by the district and all other political subdivisions of  
 1-32 this state having territory in the district would exceed two  
 1-33 percent in any location in the district.

1-34 Sec. 1061.302. APPLICABILITY OF OTHER LAW. Except to the  
 1-35 extent that a provision of this subchapter applies, Chapter 323,  
 1-36 Tax Code, applies to a tax authorized by this subchapter in the same  
 1-37 manner as that chapter applies to the tax authorized by that  
 1-38 chapter.

1-39 Sec. 1061.303. TAX RATE; CHANGE IN RATE. (a) The district  
 1-40 may impose a tax authorized by this subchapter in increments of  
 1-41 one-eighth of one percent, with a minimum rate of one-eighth of one  
 1-42 percent and a maximum rate of two percent.

1-43 (b) The district may increase the rate of a tax authorized  
 1-44 by this subchapter to a maximum of two percent or decrease the rate  
 1-45 of the tax to a minimum of one-eighth of one percent if the change is  
 1-46 approved by a majority of the voters of the district at an election  
 1-47 called for that purpose.

1-48 Sec. 1061.304. ELECTION PROCEDURE. An election to adopt,  
 1-49 change the rate of, or abolish a tax authorized by this subchapter  
 1-50 is called by the adoption of an order of the board. The board may  
 1-51 call an election on its own motion and shall call an election if a  
 1-52 number of qualified voters in the district equal to at least five  
 1-53 percent of the number of registered voters in the district  
 1-54 petitions the board to call the election.

1-55 Sec. 1061.305. ELECTION IN OTHER TAXING AUTHORITY. (a) In  
 1-56 this section, "taxing authority" means any entity authorized to  
 1-57 impose a local sales and use tax.

1-58 (b) If the district is included within the boundaries of  
 1-59 another taxing authority and the adoption or increase in the rate of  
 1-60 a tax under this subchapter would result in a combined tax rate by  
 1-61 the district and other political subdivisions of this state of more

2-1 than two percent at any location in the district, an election to  
 2-2 approve or increase the rate of the tax has no effect unless:

2-3 (1) one or more of the other taxing authorities holds  
 2-4 an election in accordance with the law governing that authority on  
 2-5 the same date as the election under this subchapter to reduce the  
 2-6 tax rate of that authority to a rate that will result in a combined  
 2-7 tax rate by the district and other political subdivisions of not  
 2-8 more than two percent at any location in the district; and

2-9 (2) the combined tax rate is reduced to not more than  
 2-10 two percent as a result of that election.

2-11 (c) This section does not permit a taxing authority to  
 2-12 impose taxes at differential tax rates within the territory of the  
 2-13 authority.

2-14 Sec. 1061.306. TAX EFFECTIVE DATE. (a) The adoption,  
 2-15 change in the rate of, or abolition of a tax under this subchapter  
 2-16 takes effect on the first day of the first calendar quarter  
 2-17 occurring after the expiration of the first complete calendar  
 2-18 quarter occurring after the date on which the comptroller receives  
 2-19 notice of the results of an election to adopt, change the rate of,  
 2-20 or abolish the tax.

2-21 (b) If the comptroller determines that an effective date  
 2-22 provided by Subsection (a) will occur before the comptroller can  
 2-23 reasonably take the action required to begin collecting the tax or  
 2-24 to implement the change in the rate of the tax or the abolition of  
 2-25 the tax, the effective date may be extended by the comptroller until  
 2-26 the first day of the next calendar quarter.

2-27 Sec. 1061.307. USE OF TAX REVENUE. Revenue from a tax  
 2-28 imposed under this subchapter may be used by the district for any  
 2-29 purpose of the district authorized by law.

2-30 SECTION 2. Section 1061.151(b), Special District Local Laws  
 2-31 Code, is amended to read as follows:

2-32 (b) The proposed budget must contain a complete financial  
 2-33 statement of:

- 2-34 (1) the outstanding obligations of the district;  
 2-35 (2) the cash on hand in each district fund;  
 2-36 (3) the money received by the district from all  
 2-37 sources during the previous year;  
 2-38 (4) the money available to the district from all  
 2-39 sources during the ensuing year;  
 2-40 (5) the balances expected at the end of the year in  
 2-41 which the budget is being prepared;  
 2-42 (6) the estimated revenue and balances available to  
 2-43 cover the proposed budget;  
 2-44 (7) the estimated ad valorem tax rate required; and  
 2-45 (8) the proposed expenditures and disbursements and  
 2-46 the estimated receipts and collections for the following fiscal  
 2-47 year.

2-48 SECTION 3. The heading to Subchapter F, Chapter 1061,  
 2-49 Special District Local Laws Code, is amended to read as follows:

2-50 SUBCHAPTER F. AD VALOREM TAXES

2-51 SECTION 4. Section 26.012(1), Tax Code, is amended to read  
 2-52 as follows:

2-53 (1) "Additional sales and use tax" means an additional  
 2-54 sales and use tax imposed by:

- 2-55 (A) a city under Section 321.101(b);  
 2-56 (B) a county under Chapter 323; or  
 2-57 (C) a hospital district, other than a hospital  
 2-58 district:

2-59 (i) created on or after September 1, 2001,  
 2-60 that:

- 2-61 (a) [~~(i)~~] imposes the sales and use  
 2-62 tax under Subchapter I, Chapter 286, Health and Safety Code; or  
 2-63 (b) [~~(ii)~~] imposes the sales and use  
 2-64 tax under Subchapter L, Chapter 285, Health and Safety Code; or  
 2-65 (ii) that imposes the sales and use tax  
 2-66 under Subchapter G, Chapter 1061, Special District Local Laws Code.

2-67 SECTION 5. This Act takes effect immediately if it receives  
 2-68 a vote of two-thirds of all the members elected to each house, as  
 2-69 provided by Section 39, Article III, Texas Constitution. If this

3-1 Act does not receive the vote necessary for immediate effect, this  
3-2 Act takes effect September 1, 2019.

3-3

\* \* \* \* \*