

1-1 By: Parker S.B. No. 1277
1-2 (In the Senate - Filed February 14, 2025; February 28, 2025,
1-3 read first time and referred to Committee on Local Government;
1-4 March 31, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 5, Nays 0; March 31, 2025,
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Bettencourt	X			
1-10	Middleton	X			
1-11	Cook	X			
1-12	Gutierrez			X	
1-13	Nichols			X	
1-14	Paxton	X			
1-15	West	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1277 By: Paxton

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

1-19 relating to the municipal sales and use tax for street maintenance.
1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-21 SECTION 1. Sections 327.007(a) and (b), Tax Code, are
1-22 amended to read as follows:
1-23 (a) Unless imposition of the sales and use tax authorized by
1-24 this chapter is reauthorized as provided by this section, the tax
1-25 expires on:
1-26 (1) the fourth anniversary of the date the tax
1-27 originally took effect under Section 327.005;
1-28 (2) the first day of the first calendar quarter
1-29 occurring after the fourth anniversary of the date the tax was last
1-30 reauthorized under this section if, at that election, the voters
1-31 approved the imposition of the tax for a period that expires on that
1-32 anniversary;
1-33 (2-a) if the tax is imposed in a municipality that is
1-34 intersected by two interstate highways, that has a population of
1-35 150,000 or more, and in which at least 66 percent of the voters
1-36 voting in each of the last two consecutive elections concerning the
1-37 adoption or reauthorization of the tax favored adoption or
1-38 reauthorization, and that tax has not expired as provided by
1-39 Subdivision (1) or (2) since the first of those two consecutive
1-40 elections, the last day of the first calendar quarter occurring
1-41 after the eighth anniversary of the date the tax was last
1-42 reauthorized under this section if, at that election, the voters
1-43 approved the imposition of the tax for a period that expires on that
1-44 anniversary instead of the period described by Subdivision (2);
1-45 (2-b) if the tax is imposed in a municipality with a
1-46 population of less than 50,000, that includes a portion of an
1-47 international airport, and that is located in only two counties,
1-48 one of which has a population of 2.2 million or more and is adjacent
1-49 to a county with a population of more than 600,000, the last day of
1-50 the first calendar quarter occurring after the 10th anniversary of
1-51 the date the tax was last reauthorized under this section if, at
1-52 that election, the voters approved the imposition of the tax for a
1-53 period that expires on that anniversary instead of the period
1-54 described by Subdivision (2); or
1-55 (3) if the tax is imposed in a municipality with a
1-56 population of more than 11,450 and less than 11,550, the last day of
1-57 the first calendar quarter occurring after the 10th anniversary of
1-58 the date the tax was last reauthorized under this section if, at
1-59 that election, the voters approved the imposition of the tax for a
1-60 period that expires on that anniversary instead of the period

2-1 described by Subdivision (2).

2-2 (b) An election to reauthorize the tax is called and held in
 2-3 the same manner as an election to adopt the tax under Section
 2-4 327.006, except the ballot proposition shall be prepared to permit
 2-5 voting for or against the proposition: "The reauthorization of the
 2-6 local sales and use tax in (name of municipality) at the rate of
 2-7 (insert appropriate rate) to continue providing revenue for
 2-8 maintenance and repair of municipal streets. The tax expires on the
 2-9 (insert "first day of the first calendar quarter occurring after
 2-10 the fourth anniversary" or "last day of the first calendar quarter
 2-11 occurring after the (insert[7] eighth[7] or 10th anniversary, as
 2-12 applicable)") [~~anniversary~~] of the date of this election unless the
 2-13 imposition of the tax is reauthorized."

2-14 SECTION 2. Section 327.008, Tax Code, is amended to read as
 2-15 follows:

2-16 Sec. 327.008. USE OF TAX REVENUE. Revenue from the tax
 2-17 imposed under this chapter may be used only to maintain and repair a
 2-18 municipal:

2-19 (1) street or sidewalk; or

2-20 (2) water, wastewater, or stormwater system located in
 2-21 the width of a way of a municipal street [~~streets or sidewalks~~
 2-22 ~~existing on the date of the election to adopt the tax~~].

2-23 SECTION 3. The change in law made by this Act to Section
 2-24 327.007(b), Tax Code, applies only to ballot language for an
 2-25 election ordered on or after the effective date of this Act. Ballot
 2-26 language for an election ordered before the effective date of this
 2-27 Act is governed by the law in effect when the election was ordered.

2-28 SECTION 4. This Act takes effect immediately if it receives
 2-29 a vote of two-thirds of all the members elected to each house, as
 2-30 provided by Section 39, Article III, Texas Constitution. If this
 2-31 Act does not receive the vote necessary for immediate effect, this
 2-32 Act takes effect September 1, 2025.

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