

BILL ANALYSIS

H.B. 3258
By: Minjarez
Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been noted that recent legislative efforts have provided additional funding for roads and transit improvements in certain affected communities based on the need to leverage state and federal dollars for transportation projects across those communities. There have been calls to provide an affected community the ability to petition for an increase in sales tax. H.B. 3258 seeks to address this issue by providing for a petition to authorize an increase in the sales and use tax collected in an advanced transportation district of a metropolitan rapid transit authority.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3258 amends the Transportation Code to authorize the board of a metropolitan rapid transit authority containing an advanced transportation district to order an election to increase the district's sales and use tax rate by any rate that is an increment of one-eighth of one percent, not to exceed one-half of one percent.

H.B. 3258 authorizes the registered voters of the district, by petition, to require an election to increase the district's sales and use tax rate by such a rate and establishes that such a petition is valid only if it is submitted to the board and signed by at least 10 percent of the district's registered voters as determined by the most recent official list of registered voters. The bill requires the board to submit a petition for an election to increase the district's sales and use tax rate to the secretary of state, requires the secretary of state to determine the validity of the petition not later than the 30th day after the date the petition is received by the secretary, and requires the secretary of state to notify the board of the result of the determination.

H.B. 3258 sets out requirements and procedures for an election to increase the rate of the tax and establishes that an election by an authority to increase the rate of the district's sales and use tax has no effect if:

- the voters of the district approve the district's sales and use tax rate or rate increase at an election held on the same day on which a municipality or county having territory within the district adopts a sales and use tax or an additional sales and use tax; and
- the combined rates of all sales and use taxes imposed by the district and other political subdivisions of the state would exceed 2.5 percent in any location in the district.

H.B. 3258 prohibits a district from adopting or increasing a sales and use tax rate if, as a result of the adoption or increase, the combined rate of all sales and use taxes imposed by the district and all other political subdivisions of this state would exceed 2.5 percent in any location in the district.

EFFECTIVE DATE

September 1, 2019.