

SUBJECT: Maverick County sales tax for landfill and criminal detention center

COMMITTEE: Ways and Means — committee substitute recommended

VOTE: 6 ayes — Craddick, Finnell, Heflin, Holzheuser, Marchant, Romo

0 nays

5 absent — Wolens, Horn, T. Hunter, Oliveira, Place

WITNESSES: For — Carlos A. Pereda, Jr., Maverick County

Against — None

DIGEST: CSHB 2087 would authorize a county with a population of 37,500 or less bordering on the Rio Grande and with a city of more than 15,000 population (Maverick County) to adopt a one-half percent sales and use tax, with the revenue dedicated to building, operating or maintaining a criminal detention center and a landfill in the county.

If at least five percent of the registered voters petitioned for an election to adopt or abolish the tax, the commissioners court would have to call the election.

The total combined rate of all local sales and use taxes anywhere in the county could not exceed two percent. If the tax generated more than was needed to retire the bonds for construction of a criminal detention center or to operate a landfill in the county, the additional revenue would have to be used for property tax relief. The portion of the tax dedicated to the retirement of the criminal detention center bonds would expire when the bonds were retired, and the portion dedicated to landfill operation would expire if the landfill was sold or closed.

The bill would take immediate effect if approved by two-thirds of the membership of each house, and the tax would be levied starting the first calendar quarter after county voters approved the tax.

SUPPORTERS
SAY:

CSHB 2087 would allow the citizens of Maverick County to vote to increase the sales tax by one-half cent at the next regular election, to be held May 6, 1995. The revenue from the sales tax would be used to maintain the county's criminal detention center and to open a new landfill. County expenditures for the detention center have increased, and extra revenue is needed to assure that the county can pay off the construction bonds and continue its operation.

The Maverick County landfill had to be shut down because it did not meet federal Environmental Protection Agency standards. Now the refuse is being hauled away by a private disposal company, which is an expensive and inadequate way to dispose of trash over the long term. CSHB 2087 would allow the revenue from the sales tax increase to be used to open and operate a new landfill.

The voters of Maverick County would decide whether they wish to levy a local sales tax for these purposes. As with sales taxes in other parts of the state, the maximum combined local sales and use tax could not exceed two percent. If the tax generated more than was needed to retire the detention center bonds or operate the landfill, the additional revenue would be used for property tax relief. The portion of the tax dedicated to the retirement of the criminal detention center bonds would expire when the bonds are retired, and the portion dedicated to landfill operation would expire if the landfill is sold or closed.

OPPONENTS
SAY:

No apparent opposition

NOTES:

The committee substitute added the provisions that revenue beyond that needed to retire criminal detention center bonds or operate the landfill be used for property tax reduction and that portions of the tax would expire when the bonds are retired or the landfill is sold or closed. The original version of the bill would have applied to counties of 40,000 or less population bordering on the Rio Grande, which would have included nine counties; the committee substitute definition would apply only to Maverick County.

The companion bill, SB 821 by Madla, passed the Senate on March 22 by 30-0. It was reported favorably on March 29 by the House Ways and Means Committee, which adopted committee amendments that would add the provisions concerning use of excess revenue for property tax relief and expiration of the tax that were included in the committee substitute for HB 2087. SB 821 is eligible to be considered in lieu of CSHB 2087 on today's calendar.