

BILL ANALYSIS

Senate Research Center

S.B. 1951
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Intergovernmental Relations
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As Filed

DIGEST

Currently, Texas law provides for the collection of a sales and use tax by metropolitan rapid transit authorities. Voters in an authority must authorize the sales and use tax rate to be collected, which cannot exceed one percent. In certain cases, authorization to collect the maximum tax rate was approved by the voters at the same election that created the authority, but the full authorization was not collected initially. As a result, the board of such an authority has been able to increase the rate at which the sales and use tax is collected over the years without further approval by the voters. There is no method for the public to force the board to lower the rate.

The bill would provide for the automatic expiration of a tax rate set in certain transit authorities at three-quarters of one percent or one percent unless the continuation of that tax rate is approved by a majority of votes at an election called for that purpose.

PURPOSE

As proposed, S.B. 1951 provides for the automatic expiration of a tax rate set in certain transit authorities at three-quarters of one percent or one percent unless the continuation of that tax rate is approved by a majority of votes at an election called for that purpose.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 451I, Transportation Code, by adding Section 451.4051, as follows:

Sec. 451.4051. TAX RATE IN CERTAIN AUTHORITIES. Provides that this section applies only to a rapid transit authority in which the governing board of the rapid transit authority has lowered the tax rate from the maximum permissible amount and subsequently raised the tax rate back to the maximum permissible amount. Sets forth provisions applicable if on September 1, 1997, a rapid transit authority to which this section applies has in effect a sales and use tax of three-quarters of one percent or one percent. Sets forth requirements regarding the ballots at an election held under this section. Provides that Sections 451.411-451.413 apply to an election under this section as if the election were held to increase or decrease the tax rate. Sets forth provisions applicable if a tax rate expires under this section.

SECTION 2. Emergency clause.
Effective date: upon passage.