

BILL ANALYSIS

Senate Research Center

C.S.S.B. 782
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Intergovernmental Relations
3/13/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

Current law allows the imposition of a sales and use tax for advanced transportation. C.S.S.B. 782 expands the definition of “advanced transportation”; increases the maximum allowable tax rate; and allows for increases in sales and use tax in smaller increments. It also establishes requirements regarding the use of the tax revenue.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subdivision (1), Section 451.701, Transportation Code, to redefine “advanced transportation.”

SECTION 2. Amends Section 451.702, Transportation Code, by amending Subsections (a), (d), and (e), and adding Subsection (f), as follows:

- (a) Provides that after approval at the election, the rate of the sales and use tax for advanced transportation is authorized to be set from one-eighth of one percent to one-half of one percent, in increments of one-eighth of one percent, as determined by the board of the transit authority (board), rather than the rate is one-fourth of one percent.
- (d) Requires the ballot at the election to be printed with a certain statement including the tax rate. Requires the board to determine the rate of the tax prior to the preparation of the ballots.
- (e) Requires the proceeds of the sales and use tax imposed under this section to be used by the district only for certain advanced transportation purposes, including payments to the principal municipality and other participating units, according to the number of miles of bus service operated by the authority in the municipality.
- (f) Requires payments under Subsection (e) to be made quarterly beginning on a certain day. Requires the principal municipality and each participating unit to use the money received under Subsection (e) solely for transportation-related improvements along public ways on which the authority provides regular service. Provides that the payments under Subsection (e) are the only payments an authority is authorized to make to the principal municipality or participating unit for the repair, maintenance, replacement, relocation, or use of public ways, including alleys, excepting only a preexisting contractual obligation for street maintenance or improvements in the sale and conveyance of a transit system.

SECTION 3. Effective date: September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

Differs from original by:

- further expanding the definition of “advanced transportation” to include high occupancy lanes and bus-system related improvements, rather than just an enhanced bus system;
- clarifies the sentence regarding the one-eighth of one percent tax rate increments, and provides that the board determines the rate;
- adds the specific requirements regarding the use of the tax proceeds; and
- adds the requirements regarding the quarterly payments of the tax proceeds to the municipality.