

BILL ANALYSIS

Senate Research Center

H.B. 3195
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Intergovernmental Relations
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, in order for a city to switch from one type of optional municipal sales tax to another type of optional municipal sales tax requires two ballot propositions: one to repeal/lower a tax and a second to adopt/raise another tax

H.B. 3195 creates Section 321.409, Tax Code, to allow municipalities to use a combined ballot proposition to lower or repeal any dedicated or special purpose municipal sales tax, while raising or adopting another dedicated or special purpose municipal sales tax.

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 Subtitle C, Chapter 321, Tax Code, by adding Section 321.409, as follows:

Sec. 321.409. COMBINED MUNICIPAL SALES TAX BALLOT PROPOSITIONS.

(a) Authorizes a municipality to, by a combined ballot proposition, lower or repeal any dedicated or special purpose municipal sales tax, including the additional sales tax for property tax relief, and by the same proposition raise or adopt any other dedicated or special purpose municipal sales tax, including the additional sales tax for property tax relief, notwithstanding any provisions of this code or other state law.

(b) Requires a combined sales tax proposition under this section to contain substantially the same language, if any, required by law for the lowering, repealing, raising, or adopting of each tax as appropriate.

(c) Requires a negative vote on a combined sales tax proposition under this section to have no effect on either the sales tax to be lowered or repealed by the proposition or the sales tax to be raised or adopted by the proposition.

(d) Provides that this section does not apply to sales tax elections called by any method other than by the governing body.

(e) Prohibits this section from being construed to change the substantive law of any sales tax, including the allowed maximum rate or combined rate of local sales tax.

SECTION 2. Effective date: September 1, 2005.