BILL ANALYSIS

Senate Research Center

S.B. 1463
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Intergovernmental Relations
4/18/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Chapter 321, Tax Code, governs the procedures for adoption of municipal sales taxes. Most ballot propositions to raise or lower municipal sales taxes must be presented as stand-alone propositions, and cannot be conditioned upon or combined with other propositions. Under current law, a city wishing to switch from one type of optional municipal sales tax to another type of optional sales tax must present to the voters two ballot provision: one to repeal or lower a tax and a second to adopt or raise another tax.

As proposed, S.B. 1463 authorizes a municipal governing body to combine a ballot proposition to enact or raise a municipal sales tax with a proposition to reduce or repeal a municipal sales tax, such that each proposition is dependent upon the other.

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

(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vote on a combined sales tax proposition under this section to have no effect on either the sales tax to be lowered or repealed by the proposition or the sales tax to be raised or adopted by the proposition.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) Prohibits this section from being applied 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 local sales tax.

SECTION 2. Effective date: September 1, 2005.