

BILL ANALYSIS

Senate Research Center

S.B. 575
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Intergovernmental Relations
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The purpose of this legislation is to better align the continuation elections for Crime Control and Prevention Districts (CCPD) with current uniform election dates set by the Secretary of State. Currently, continuation elections must be held prior to the expiration of a CCPD's current term. If a continuation election is not held, the district expires on the fifth anniversary, or the end of the period for which it was continued, of the most recent election. However, since the enactment of this legislation, uniform election dates have been reduced from four to two per year, causing some CCPDs to have dissolution dates that are poorly aligned with uniform election dates.

S.B. 575 amends current law relating to the time for dissolution of CCPDs and to certain taxes imposed by such districts or by fire control, prevention, and emergency medical services districts.

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 Sections 363.301(a) and (b), Local Government Code, as follows:

(a) Provides that the crime control and prevention district (CCPD) is dissolved on the first uniform election date that occurs after the fifth anniversary of the date the CCPD began to levy taxes for district purposes if the CCPD has not held a continuation or dissolution referendum.

(b) Makes a conforming change.

SECTION 2. Amends Subchapter B, Chapter 321, Tax Code, by adding Section 321.1055, as follows:

Sec. 321.1055. IMPOSITION OF FIRE CONTROL OR CRIME CONTROL DISTRICT TAX ON THE RESIDENTIAL USE OF GAS AND ELECTRICITY. (a) Provides that this section applies to a fire control, prevention, and emergency medical services district or CCPD located in all or part of a municipality that imposes a tax on the residential use of gas and electricity under Section 321.105 (Residential Use of Gas and Electricity).

(b) Authorizes the board of directors of a district to which this section applies to, by order or resolution adopted in a public hearing by a vote of a majority of the membership of the board and recorded in the district's minutes impose a tax adopted under Section 321.106 (Fire Control District Tax) or 321.108 (Municipal Crime Control and Prevention District), as applicable, on receipts from the sale, production, distribution, lease, or rental of, and the use, storage, or other consumption within the district of, gas and electricity for residential use; exempt from taxation the items described by Subdivision (1) (relating to certain taxes); or reimpose the tax under Subdivision (1).

(c) Requires a district that adopts an order or resolution under Subsection (b) to send a copy of the order or resolution to the comptroller of public accounts

(comptroller) by United States certified or registered mail; send a copy of the order or resolution and a copy of the district's boundaries to each gas and electric company whose customers are subject to the tax by United States certified or registered mail; and publish notice of the order or resolution in a newspaper of general circulation in the district.

(d) Provides that if the residential use of gas and electricity ceases to be taxable in the municipality in which a district is located, then the residential use of gas and electricity is not taxable by the district.

(e) Provides that the provisions of Sections 321.201 (Computation of Sales Taxes) and 321.204 (Computation of Use Tax) that govern the computation of municipal taxes on gas and electricity for residential use apply to the computation of district taxes on gas and electricity for residential use under this section.

SECTION 3. Amends Section 321.3022(b), Tax Code, to require the comptroller on request to provide to a municipality that has adopted a tax under this chapter information relating to the amount of tax paid to the municipality under this chapter during the preceding or current calendar year by each person doing business in an area, as defined by the municipality that is part of a certain agreement, zone, or district, including a CCPD; or a fire control, prevention, and emergency medical services district. Makes conforming and nonsubstantive changes.

SECTION 4. Effective date, Section 321.1055, Tax Code, as added by this Act, and Section 321.3022(b), Tax Code, as amended by this Act: January 1, 2010.

SECTION 5. Effective date, except as provided by Section 4 of this Act: upon passage or September 1, 2009.