

BILL ANALYSIS

Senate Research Center
83R23803 TJB-F

H.B. 3159
By: Isaac (Zaffirini)
Intergovernmental Relations
5/15/2013
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 3159 amends current law relating to an agreement to allocate sales and use tax after a municipality annexes land in an emergency services district and to the provision of emergency services in that area.

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 Section 775.0753(c), Health and Safety Code, as follows:

(c) Provides that provisions of Section 321.102 (Effective Dates: New Tax, Tax Repeal, Boundary Change), Tax Code, governing the application of a municipal sales and use tax in the event of a change in the boundaries of a municipality apply to the application of a tax imposed under this chapter in the event of a change in the district's boundaries except as provided by Section 775.0754.

SECTION 2. Amends Subchapter E, Chapter 775, Health and Safety Code, by adding Section 775.0754, as follows:

Sec. 775.0754. SALES AND USE TAX AGREEMENT WITH MUNICIPALITY AFTER ANNEXATION. (a) Provides that this section applies when a municipality annexes for full purposes part of a district that imposes a sales and use tax, and the annexed area is not removed from the district.

(b) Authorizes the municipality and the district to, before or after the annexation, agree on an allocation between the municipality and the district of revenue from the sales and use tax imposed in the annexed area.

(c) Requires the comptroller of public accounts of the State of Texas (comptroller) to pay the amounts agreed to between the municipality and the district under policies and procedures that the comptroller considers reasonable.

(d) Provides that a municipality that enters into an agreement under this section is not required to provide emergency services in that annexed territory. Provides that, to the extent of a conflict between this subsection and Section 43.056 (Provision of Services to Annexed Area), Local Government Code, or any other law, this subsection controls.

(e) Provides that Section 321.102(f) (relating to requiring that the comptroller withhold from a municipality's monthly sales and use tax allocation an amount equal to the amount that would have been collected by the entity had the municipality not imposed or increased its sales and use tax or annexed the area in the entity less amounts that the entity collects following the municipality's levy of or increase in its sales and use tax or annexation of the area in the entity under

certain circumstances), Tax Code, does not apply if the municipality and the district enter into an agreement under this section.

SECTION 3. Effective date: September 1, 2013.