

BILL ANALYSIS

Senate Research Center
83R825 TJB-D

S.B. 475
By: Van de Putte
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

According to Section 327.007 (Reauthorization of Tax), Tax Code, a municipality may hold an election wherein voters may elect to adopt a street maintenance sales and use tax. If adopted, an election will be held every four years after, wherein voters may elect to reauthorize this tax.

In November 2007, City of Leon Valley voters elected to adopt a street maintenance sales and use tax at the rate of one-quarter of one percent, that began on April 1, 2008, and expired on March 31, 2012. Residents voted to reauthorize this tax in November 2011, to begin on April 1, 2012, and set to expire on March 31, 2016. In each election, more than 80 percent of voters supported this tax.

The city's street maintenance tax generates \$400,000 annually. The city finds this amount insufficient to finance some larger and necessary road repair projects. This bill will permit Leon Valley residents to vote to reauthorize the street maintenance sales and use tax for a period of 10, rather than four, years.

As proposed, S.B. 475 amends current law relating to the expiration of the municipal sales and use tax for street maintenance in certain municipalities.

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 327.007(a) and (b), Tax Code, as follows:

(a) Provides that the tax, unless imposition of the sales and use tax authorized by this chapter is reauthorized as provided by this section, expires on:

(1) Makes nonsubstantive changes;

(2) the first day of the first calendar quarter occurring after the fourth anniversary of the date the tax was last reauthorized under this section if, at the election, the voters approved the imposition of the tax for a period that expires on that anniversary; or

(3) if the tax is imposed in a general-law municipality with a population of 10,000 or more surrounded entirely by a municipality with a population of 1.3 million or more, the last day of the first calendar quarter occurring after the 10th anniversary of the date the tax was last reauthorized under this section if, at that election, the voters approved the imposition of the tax for a period that expires on that anniversary instead of the period described by Subdivision (2).

(b) Provides that an election to reauthorize the tax is called and held in the same manner as an election to adopt the tax under Section 327.006 (Election Procedure), except the ballot proposition is required to be prepared to permit voting for or against the

proposition: "The reauthorization of the local sales and use tax in (name of municipality) at the rate of (insert appropriate rate) to continue providing revenue for maintenance and repair of municipal streets. The tax expires on the (insert fourth or 10th) anniversary of the date of this election unless the imposition of the tax is reauthorized."

SECTION 2. Effective date: upon passage or September 1, 2013.