

BILL ANALYSIS

Senate Research Center

S.B. 1805
By: Nixon
Intergovernmental Relations
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As Filed

DIGEST

Currently, Texas law allows municipalities to submit tax proposals to the voters for approval. However, in certain instances, municipalities have given proposals to the voters adopting two tax proposals in a single proposition. The combination of two tax proposals into one proposal was found to be unauthorized by the attorney general. S.B. 1805 would prohibit the combination of two tax proposals into a single proposition.

PURPOSE

As proposed, S.B. 1805 outlines provisions regarding the adoption or increase of local sales and use taxes by a municipality or county in which previous elections adopting the new taxes are invalid.

RULEMAKING AUTHORITY

Rulemaking authority is granted to a municipality under SECTION 1 (Section 321.101(i), Tax Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 321.101, Tax Code, by adding Subsection (i), to provide that a municipality in which the adoption or increase of a sales and use tax approved by the voters in an election held after May 1, 1995, and before December 31, 1995, is invalid because it combined into a single proposition proposals for adopting an economic development sales and use tax under Section 4B, Article 5190.6, V.T.C.S., and an additional sales and use tax under Section 321.101(b), Tax Code, may adopt or increase the sales and use tax previously approved by the voters, by ordinance or resolution, of the governing body of the municipality. Provides that if the governing body of the municipality adopts or increases the sales and use tax under this subsection, the municipal secretary shall send to the comptroller, by certified or registered mail, a certified copy of the ordinance or resolution. Provides that the tax takes effect on the first day of the month following the expiration of the calendar quarter occurring after the date on which the comptroller receives the ordinance or resolution.

SECTION 2. Emergency clause.
Effective date: upon passage.