

BILL ANALYSIS

Senate Research Center
79R684 DAK-D

H.B. 132
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Intergovernmental Relations
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, Chapter 324, Tax Code, authorizes a county having a population of 50,000 or less, with voter approval, to adopt and impose a county health services sales and use tax of one-half cent. It prohibits a county from adopting a tax if as a result of the adoption of the tax, the combined rate of sales and use taxes imposed by the county and other political subdivisions of this state having territory in the county would exceed two percent at any location in the county. The county imposing the tax may use the revenue from tax imposed only to provide health services in the county.

Over 50 percent of the 254 counties in Texas are considered rural or frontier. Of the state's 254 counties 105 have one hospital and 61 have no hospitals. However, most of the rural and frontier counties have at least one emergency medical services district comprised mostly of volunteers with or without minimum compensation.

H.B. 132 amends current law by allowing certain counties to impose a county health services and sales use tax up to one cent in one-eighth cent increments, with voter approval. It also allows the tax to be decreased or abolished.

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 324.021, Tax Code, as follows:

Sec. 324.021. TAX AUTHORIZED. (a) Authorizes a county having a population of 50,000 or less to adopt, increase, decrease, or abolish the sales and use tax authorized by this chapter at an election held in the county.

(b) Prohibits a county from adopting or increasing a tax under this chapter if as a result to the adoption of or increase in the tax the combined rate of all sales and use taxes imposed by the county and other political subdivisions of this state having territory in the county would exceed two percent at any location in the county.

(c) Makes conforming changes.

SECTION 2. Amends Section 324.022, Tax Code, as follows:

Sec. 324.022. TAX RATE. (a) Provides that the tax, authorized by this chapter is to be imposed at the rate of one-half, five-eighth, three-fourths, seven-eighths, or one percent, rather than providing that the tax rate is one-half percent.

(b) Authorizes the rate to be reduced in one or more increments of one-eighth of one percent to a minimum of one-half of one percent or increased in one or more increments of one-eighth of one percent to a maximum of one percent, and authorizes the tax to be abolished.

SECTION 3. Amends Section 324.023, Tax Code, to make conforming changes.

SECTION 4. Amends Section 324.061, Tax Code, by amending Subsections (a) and (b) and adding Subsection (b-1),as follows:

(a) Makes a conforming change.

(b) Requires the ballot, at an election to adopt the tax, be prepared to permit voting for or against the proposition and contain specific text.

(b-1) Requires the ballot, at an election to increase or decrease the tax, to be prepared to permit voting for or against the proposition and contain specific text.

SECTION 5. Effective date: upon passage or the 91st day after adjournment.