

BILL ANALYSIS

Senate Research Center
85R9550 CBH-D

H.B. 2182
By: Reynolds et al. (Miles)
Finance
5/17/2017
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties report confusion regarding what constitutes the territory of a proposed county assistance district or the area proposed to be added to such a district or in the district's territory for purposes of determining the combined tax rate of all local sales and use taxes in relation to an election to create a district or the imposition of a sales and use tax by a district. H.B. 2182 seeks to provide clarity by excluding rights-of-way and certain areas from that territory for those purposes.

H.B. 2182 amends the Local Government Code to establish that, in determining the combined tax rate of all local sales and use taxes for purposes of an election to create a county assistance district or the imposition of a sales and use tax by such a district, the following are considered to not be included in the territory of the proposed district or the area proposed to be added to the district or in the district's territory, as applicable: rights-of-way and any area in which a county facility is located and in which no person has a place of business to which a sales tax permit has been issued.

H.B. 2182 amends current law relating to the authority of a county assistance district to impose a sales and use tax.

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 387.003, Local Government Code, by adding Subsection (k), as follows:

(k) Provides that, in determining a certain combined tax rate, the following are considered to not be included in the territory of the proposed district or the area proposed to be added to the county assistance district (district):

(1) rights-of-way; and

(2) any area in which a county facility is located and in which no person has a place of business to which a sales tax permit has been issued under Subchapter F (Sales Tax Permits), Chapter 151 (Limited Sales, Excise, and Use Tax), Tax Code.

SECTION 2. Amends Section 387.007, Local Government Code, by adding Subsection (c), as follows:

(c) Provides that, in determining the combined tax rate under Subsection (b) (relating to the prohibition against a district adopting a sales and use tax if the adoption would result in a certain combined tax rate), the following are considered to not be included in the territory of the district:

(1) rights-of-way; and

(2) any area in which a county facility is located and in which no person has a place of business to which a sales tax permit has been issued under Subchapter F, Chapter 151, Tax Code.

SECTION 3. Effective date: upon passage or September 1, 2017.