

BILL ANALYSIS

Senate Research Center

C.S.S.B. 679
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Intergovernmental Relations
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Committee Report (Substituted)

DIGEST

Currently, metropolitan rapid transit authorities in Texas are not required to use a certain portion of the revenues they collect from sales and use tax for county and municipal road and bridge purposes and traffic control improvements. This bill would require the transit authorities to use at least 25 percent of the money they receive for such purposes.

PURPOSE

As proposed, C.S.S.B. 679 requires the board of a metropolitan rapid transit authority that imposes a sales and use tax to distribute a certain amount of the total revenue collected to each municipality and county located in the authority to be used only for county and municipal road and bridge purposes.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 451.065, Transportation Code, by adding Subsections (g) and (h), as follows:

(g) Requires the board of a rapid transit authority (board) that imposes a sales and use tax, not later than April 1 of each year, to distribute not less than 25 percent of the sales and use tax revenue that the authority collected during the preceding calendar year to each municipality and county located in the authority. Requires the board to distribute the amount in consultation with the municipalities and the counties. Authorizes the use of money received from the authority by a municipality or a county only for the performance of an action described by Subsection (a). Requires a municipality with a population of less than 1.2 million to contract with the county in which the municipality is located, or with the principal municipality of the authority, for the design, acquisition of necessary right-of-way, and construction of a project under Subsection (a) that is to be located in that municipality. Provides that this subsection applies only to the board of an authority in which the principal municipality has a population of more than 1.2 million.

(h) Provides that Subsection (g) does not apply if at an election called by the authority, a majority of the votes cast approve a proposition eliminating the requirement for distribution under Subsection (g).

SECTION 2. Effective date: January 1, 1998.

SECTION 3. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends proposed Section 451.065(g), Transportation Code, to require the board of an

authority to distribute not less than 25 percent of the sales and use tax revenue, rather than an amount that is not less than 25 percent of the total sales and use tax. Requires the board to distribute the amount in consultation with the municipalities and the counties, rather than in proportion to the revenue from sales and use tax that was collected in that year in each municipality and in the unincorporated territory of each county. Sets forth requirements for a municipality with a population of less than 1.2 million. Adds Subsection (h) regarding an election called by the authority.