

BILL ANALYSIS

Senate Research Center

S.B. 769
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Intergovernmental Relations
3/23/1999
As Filed

DIGEST

Currently, a metropolitan transit system cannot increase sales taxes, when a city in its region enacts a sales tax reaching the maximum allowed under state law. Under the 75th Legislature, H.B. 92 allowed the use of sales taxes for purposes other than transportation, such as arenas and crime control districts. Balcones Heights is located in the VIA Metropolitan Transit Authority region in San Antonio, and blocked VIA from increasing tax rates. S.B. 769 would authorize an election to create an advanced transportation district, and would increase the advanced transportation sales tax one-half of one percent.

PURPOSE

As proposed, S.B. 769 creates an advanced transportation district; and authorizes the imposition of a local sales and use tax for advanced transportation and local development.

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 Chapter 451, Transportation Code, by adding Subchapter O, as follows:

SUBCHAPTER O. ADVANCED TRANSPORTATION DISTRICT

Sec. 451.701. APPLICATION OF SUBCHAPTER. Provides that this subchapter applies only to a rapid transit authority (authority) that imposed a sales and use tax at the rate of one-half of one percent on October 20, 1987, and that imposes a sales and use tax at the rate of one-half of one percent on the date of the election ordered under Section 451.703.

Sec. 451.702. DEFINITIONS. Defines “advanced transportation,” “advanced transportation district,” “local development” and “participating unit.”

Sec. 451.703. CREATION OF ADVANCED TRANSPORTATION DISTRICT. Authorizes the governing body of a rapid transit authority (board) to order an election to create an advanced transportation district within the authority’s boundaries and to impose a sales and use tax at the rate of one-half of one percent for advanced transportation and local development in accordance with this subchapter. Authorizes an election to be held only after the board has provided written notification of the board’s election order to the governing body of each municipality and the commissioners court of each county included in whole or part within the territory of the authority. Requires the authority to pay the costs of each election ordered by the board.

Sec. 451.704. CONDUCT OF INITIAL ELECTION; SEPARATE RESULT. Requires the election to be conducted so that the votes are separately tabulated and canvassed and the result is declared in each unit of election in the authority in each municipality within the authority, and in the unincorporated area of a county within the authority. Requires the board to canvass the votes cast in the election and to issue an order declaring the results of the canvass and the election. Requires the advanced transportation district (district) to be created and to consist of certain municipalities, if a majority of the votes in the municipality with the largest population in the authority’s boundaries are cast in favor of the proposition. Requires the board to record the results of the election in its minutes and adopt a certain order, if the district is created. Requires the order to be accompanied by a map of the district that shows the boundaries of the district. Requires a

copy of the order and map to be filed with the Texas Department of Transportation (TxDOT), with the comptroller, and in the deed records of each county in which the authority is located. Provides that the annexed territory becomes part of the district, when a municipality that is part of the district annexes territory that before the annexation was not part of the district.

Sec. 451.705. SUBSEQUENT ELECTIONS. Authorizes the governing body of the municipality to call and hold an election at a later date to join the district, if a municipality does not vote to join the district at the initial election called by the authority. Authorizes the commissioners court of the county to call and hold an election at a later date to join the district, if the unincorporated area within the authority does not join the district in the initial election called by the authority. Requires the governing bodies of the municipalities and the commissioners court to pay the costs of the election, canvass the votes, declare the results, and notify the district of the results in an election held under this section.

Sec. 451.706. EFFECT OF ELECTIONS. Prohibits the combined rates of all sales and use taxes imposed by the district and all other political subdivisions of the state from exceeding two percent in any location in the district. Requires the election by the participating unit to join the district under Section 451.704 or 451.705 to also act to repeal all local sales and use taxes imposed by or within the participating unit, whether adopted prior to or at the same time as an district election, except the local sales and use tax imposed by a municipality pursuant to Sections 321.101(a) and 321.103(a), in participating units in which the imposition of the local sales and use tax by the district would result in the imposition of a total local sales and use tax in the participating unit of more than two percent. Requires the sales and use tax authorized by this subchapter and the repeal of any other local sales and use taxes under this section to take effect on the first day of the second calendar quarter beginning after the date the comptroller receives a copy of the order canvassing the results of the election.

Sec. 451.707. BALLOT PROPOSITION. Requires the board under Section 451.703 to submit to the voters the proposition, and sets forth the language for the proposition.

Sec. 451.708. USE OF SALES AND USE TAX PROCEEDS. Requires the proceeds of the sales and use tax imposed by this subchapter to be used by the district only for advanced transportation, except as provided by Subsection (b). Requires the district to pay 50 percent of the sales and use tax collected by the district under this subchapter in each participating unit to the governing body of the participating unit for local development as determined by the governing body of the participating unit, prior to January 1, 2010.

Sec. 451.709. GOVERNANCE AND POWERS OF THE ADVANCED TRANSPORTATION DISTRICT. Requires the board to act as the governing body of the district and to be responsible for the management, operation, and control of the district. Requires the business of the district to be conducted by its governing body and by the employees of the authority acting under the control and direction of the general manager of the authority. Authorizes the district to enter into contracts with the authority or other private or public entities to conduct the business of the district. Requires the district to have the powers of the authority that called the election to create the district under Subchapters B, C, F, H, I, and K and to exercise such powers in the manner provided by those subchapters, except as otherwise provided by this subchapter.

Sec. 451.710. PROPERTY OF THE ADVANCED TRANSPORTATION DISTRICT; SEPARATE BOOKS. Requires property of the district to be held in the name of the authority. Requires the district, however, to keep separate books and accounting records segregating the funds, revenues, expenses, and other property of the district.

Sec. 451.711. GOVERNMENTAL UNIT. Provides that the district is a governmental unit under Chapter 101, Civil Practice and Remedies Code, and the operations of the district are not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.

