

BILL ANALYSIS

Senate Research Center
85R13813 SMT-D

S.B. 1727
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1727 amends the powers and duties of emergency services districts related to a district's existing authority to adopt a local sales and use tax of up to two percent. The bill clarifies the process that a district must follow to adopt a local sales and use tax when there are other entities collecting local sales and use tax within the district. Current law is unclear and can be interpreted to require multiple costly elections in order for the district to establish a local sales and use tax throughout all areas of the district. Emergency services districts in Texas may be unable to begin collecting a local sales and use tax after a successful election as a result of this ambiguity. The bill makes it clear that a single election is required for the adoption of a local sales and use tax even if there are other entities with differing sales and use tax rates within the district, thereby avoiding unnecessarily duplicative election expenses but ensuring that voters rights are preserved. The bill also provides definitive ballot language for this situation.

As proposed, S.B. 1727 amends current law relating to the procedure for an election to adopt a sales and use tax or to change the tax rate in an emergency services district.

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 775.0751(c-1), Health and Safety Code, to authorize an emergency services district (district) created under this chapter (Emergency Services Districts) that otherwise would be precluded from adopting a sales and use tax under Subsection (c) (relating to prohibiting a district from adopting a certain tax or increasing the tax's rate under certain circumstances) to adopt a sales and use tax (tax), change the rate of its tax, or abolish its tax at a certain election, if the board of emergency services commissioners excludes certain territories from the applicability of any proposed tax, rather than excludes certain territories from the election and the applicability of any proposed tax.

SECTION 2. Amends Section 775.0752, Health and Safety Code, by adding Subsection (f), to require the ballot, at an election described by Section 775.0751(c-1) to adopt the tax, to be prepared to permit voting for or against a proposition and sets forth the text of that proposition.

SECTION 3. Provides that the acts and proceedings of a district relating to an election described by Section 775.0751(c-1), Health and Safety Code, to impose a tax that was held November 3, 2015, and at which the ballot proposition used language from Section 775.0752, Health and Safety Code, and was approved by a majority of the voters voting on the proposition are validated as of the dates they occurred. Provides that the validation includes the preparation and wording of the ballot proposition, any action taken by the district in calling, holding, and canvassing the tax election, and any other action taken by the district before the effective date of this Act in connection with the imposition of the tax approved in the tax election. Authorizes a district to take any further action or conduct any further proceeding necessary to complete the imposition of the tax approved at the tax election.

SECTION 4. Effective date: upon passage or September 1, 2017.