

By: Keel, Naishtat, Stick, Hilderbran, Dukes

H.B. No. 1770

Substitute the following for H.B. No. 1770:

By: Hilderbran

C.S.H.B. No. 1770

A BILL TO BE ENTITLED

AN ACT

relating to the creation and taxes of a library district.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter E, Chapter 326, Local Government Code, is amended by adding Section 326.097 to read as follows:

Sec. 326.097. EFFECT OF TAX ON CERTAIN OTHER TAXING UNITS.

(a) This section applies only to a municipality that does not have a municipal public library.

(b) An election to adopt or increase the local sales and use tax under this subchapter is to be treated also as an election that will have the effect of reducing the tax rate of an industrial development district if:

(1) all or any part of the proposed district is included within the boundaries of an industrial development corporation created under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), by the municipality after the date of the first filing of a petition with the commissioners court of the county to create a library district under this chapter; and

(2) the adoption or increase of the local sales and use tax under this subchapter would result in a combined tax rate of more than two percent in any location in the proposed district.

(c) If the voters approve the adoption or increase of the district tax under Subsection (b), the tax rate to which the

1 development corporation's tax is reduced is the highest rate that  
2 will not result in a combined tax rate of more than two percent in  
3 any location in the proposed district.

4 (d) The rate of the tax imposed by the development  
5 corporation is increased without further action of the board or the  
6 voters of the development corporation or the district on the date on  
7 which the tax imposed under this subchapter is decreased or  
8 expires. The development corporation's tax rate increases only to  
9 the extent that any tax imposed by the development corporation was  
10 reduced under this section when the tax imposed by the district was  
11 adopted or increased.

12 (e) This section does not permit a taxing unit to impose  
13 taxes at different tax rates in the territory of the unit.

14 (f) For the purposes of holding an election under this  
15 chapter, a petition filed with the commissioners court of the  
16 county to create a library district under this chapter is effective  
17 and valid for subsequent filing purposes until the second  
18 anniversary of the date on which the petition was first filed.

19 SECTION 2. Section 326.003(3), Local Government Code, is  
20 amended to read as follows:

21 (3) "Municipal public library" means a library that  
22 is:

23 (A) financed and operated by a municipality;

24 [~~and~~]

25 (B) accredited for membership in the state  
26 library system; and

27 (C) open free of charge to all members of the

1 public under identical conditions.

2 SECTION 3. Section 326.022(c), Local Government Code, is  
3 amended to read as follows:

4 (c) If the boundaries of the proposed district include any  
5 territory that, on the date on which a petition is filed [~~an~~  
6 ~~election is ordered~~] on the question of creating the district, is  
7 part of a municipality that operates [~~operated~~] a municipal public  
8 library, then the governing authority of that municipality must  
9 consent by resolution to allow the inclusion of that municipal  
10 territory in the proposed district.

11 SECTION 4. Section 326.097(f), Local Government Code, as  
12 added by this Act, applies to a petition that is filed before, on,  
13 or after the effective date of this Act.

14 SECTION 5. This Act takes effect immediately if it receives  
15 a vote of two-thirds of all the members elected to each house, as  
16 provided by Section 39, Article III, Texas Constitution. If this  
17 Act does not receive the vote necessary for immediate effect, this  
18 Act takes effect September 1, 2003.