

By: Keel

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 in the previous five years:

(1) did not consent to or otherwise support the first petition filed with the commissioners court of the county to create a library district under this chapter; and

(2) did not have a municipal public library accredited for membership in the state library system on the date the first petition was filed.

(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; and

(2) the adoption or increase of the local sales and use

1 tax under this subchapter would result in a combined tax rate of
2 more than two percent in any location in the proposed district.

3 (c) If the voters approve the adoption or increase of the
4 district tax under Subsection (b), the tax rate to which the
5 development corporation's tax is reduced is the highest rate that
6 will not result in a combined tax rate of more than two percent in
7 any location in the proposed district.

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

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

18 (f) For the purposes of holding an election under this
19 chapter, a petition filed as described by Subsection (a)(1) is
20 effective and valid for subsequent filing purposes until the fifth
21 anniversary of the date on which the petition was filed.

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

24 (3) "Municipal public library" means a library that
25 is:

26 (A) financed and operated by a municipality;

27 [~~and~~]

1 (B) accredited for membership in the state
2 library system; and

3 (C) open free of charge to all members of the
4 public under identical conditions.

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

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

14 SECTION 4. The changes in law made by Sections 2 and 3 of
15 this Act apply only to a library district for which a petition is
16 filed on or after the effective date of this Act.

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