1-1   By: Keel, et al. (Senate Sponsor - Wentworth)   H.B. No. 1770
1-2   (In the Senate - Received from the House April 25, 2003;
1-3   April 28, 2003, read first time and referred to Committee on
1-4   Intergovernmental Relations; May 24, 2003, reported favorably by
1-5   the following vote: Yeas 4, Nays 0; May 24, 2003, sent to printer.)

1-6   A BILL TO BE ENTITLED
1-7   AN ACT

1-8   relating to the creation and taxes of a library district.
1-9   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-10   SECTION 1. Subchapter E, Chapter 326, Local Government
1-11 Code, is amended by adding Section 326.097 to read as follows:
1-12   Sec. 326.097. EFFECT OF TAX ON CERTAIN OTHER TAXING UNITS.
1-13 (a) This section applies only to a municipality that does not have
1-14 a municipal public library.
1-15   (b) An election to adopt or increase the local sales and use
1-16 tax under this subchapter is to be treated also as an election that
1-17 will have the effect of reducing the tax rate of an industrial
1-18 development district if:
1-19   (1) all or any part of the proposed district is
1-20 included within the boundaries of an industrial development
1-21 corporation created under Section 4B, Development Corporation Act
1-22 of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), by the
1-23 municipality after the date of the first filing of a petition with
1-24 the commissioners court of the county to create a library district
1-25 under this chapter; and
1-26   (2) the adoption or increase of the local sales and use
1-27 tax under this subchapter would result in a combined tax rate of
1-28 more than two percent in any location in the proposed district.
1-29   (c) If the voters approve the adoption or increase of the
1-30 district tax under Subsection (b), the tax rate to which the
1-31 development corporation's tax is reduced is the highest rate that
1-32 will not result in a combined tax rate of more than two percent in
1-33 any location in the proposed district.
1-34   (d) The rate of the tax imposed by the development
1-35 corporation is increased without further action of the board or the
1-36 voters of the development corporation or the district on the date on
1-37 which the tax imposed under this subchapter is decreased or
1-38 expires. The development corporation's tax rate increases only to
1-39 the extent that any tax imposed by the development corporation was
1-40 reduced under this section when the tax imposed by the district was
1-41 adopted or increased.
1-42   (e) This section does not permit a taxing unit to impose
1-43 taxes at different tax rates in the territory of the unit.
1-44   (f) For the purposes of holding an election under this
1-45 chapter, a petition filed with the commissioners court of the
1-46 county to create a library district under this chapter is effective
1-47 and valid for subsequent filing purposes until the second
1-48 anniversary of the date on which the petition was first filed.
1-49   SECTION 2. Section 326.003(3), Local Government Code, is
1-50 amended to read as follows:
1-51   (3) "Municipal public library" means a library that
1-52 is:
1-53   (A) financed and operated by a municipality;
1-54 [and]
1-55   (B) accredited for membership in the state
1-56 library system; and
1-57   (C) open free of charge to all members of the
1-58 public under identical conditions.
1-59   SECTION 3. Section 326.022(c), Local Government Code, is
1-60 amended to read as follows:
1-61   (c) If the boundaries of the proposed district include any
1-62 territory that, on the date on which a petition is filed [an
1-63 election is ordered] on the question of creating the district, is
1-64 part of a municipality that operates [operated] a municipal public

2-1   library, then the governing authority of that municipality must
2-2   consent by resolution to allow the inclusion of that municipal
2-3   territory in the proposed district.
2-4   SECTION 4. Section 326.097(f), Local Government Code, as
2-5   added by this Act, applies to a petition that is filed before, on,
2-6   or after the effective date of this Act.
2-7   SECTION 5. This Act takes effect immediately if it receives
2-8   a vote of two-thirds of all the members elected to each house, as
2-9   provided by Section 39, Article III, Texas Constitution. If this
2-10 Act does not receive the vote necessary for immediate effect, this
2-11 Act takes effect September 1, 2003.

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