

By: Madla

S.B. No. 1205

A BILL TO BE ENTITLED

AN ACT

relating to allowing the creation of multi-jurisdictional library districts; authorizing taxes and bonds.

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

SECTION 1. FINDINGS. The legislature finds that:

(1) the quality of life and general literacy of children and other residents of urban, suburban, and rural areas of this state are enhanced by convenient access to a public library and the valuable resources a public library provides; and

(2) the creation of library districts in this state would allow for the efficient operation and maintenance of public libraries and other historical information facilities and make valuable educational, information, and literacy resources more readily available to students and other residents of this state.

SECTION 2. MULTI-JURISDICTIONAL LIBRARY DISTRICTS.

Subtitle C, Title 10, Local Government Code, is amended by adding Chapter 336 to read as follows:

CHAPTER 336. MULTI-JURISDICTIONAL LIBRARY DISTRICTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 336.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of trustees.

(2) "District" means a multi-jurisdictional library district created under this chapter.

(3) "Executive director" means an executive director

1 employed under Section 336.103.

2 (4) "Lead governmental entity" means the county or  
3 municipality that proposes to create a district under this chapter.

4 Sec. 336.002. NATURE OF DISTRICT. A district created under  
5 this chapter is a special district and a political subdivision of  
6 this state.

7 Sec. 336.003. MULTI-JURISDICTIONAL PUBLIC LIBRARY OR  
8 HISTORICAL INFORMATION FACILITY. (a) A district created under  
9 this chapter shall establish, equip, support, operate, and maintain  
10 one or more public libraries or other historical information  
11 facilities for the dissemination of general information relating to  
12 the arts, sciences, history, literature, and other subject areas of  
13 interest to the public.

14 (b) Entry to a library or other historical information  
15 facility created under this chapter must be free of charge to all  
16 members of the public under identical conditions.

17 [Sections 336.004-336.020 reserved for expansion]

18 SUBCHAPTER B. CREATION OF DISTRICT

19 Sec. 336.021. ROLE OF LEAD GOVERNMENTAL ENTITY. (a) A  
20 district may be created by a county or municipality that, by  
21 resolution, assumes the role of a lead governmental entity under  
22 this chapter and proposes the creation of a district in a specific  
23 described territory.

24 (b) The governing body of a county or municipality may adopt  
25 a resolution under Subsection (a) on its own motion or after a  
26 hearing held on a petition requesting the creation of a district.

27 (c) The lead governmental entity shall provide over 50

1 percent of the initial assets to the district.

2 Sec. 336.022. TERRITORY INCLUDED IN DISTRICT. (a) The  
3 lead governmental entity shall describe the district territory,  
4 which must include only contiguous territory in a single county.

5 (b) The district may include incorporated or unincorporated  
6 territory.

7 (c) If the boundaries of the proposed district include any  
8 territory that, on the date on which an election is ordered on the  
9 question of creating the district, is part of a municipality that  
10 operates a municipal public library or other historical information  
11 facility, the governing body of that municipality must consent by  
12 resolution to allow the inclusion of that municipal territory in  
13 the proposed district.

14 Sec. 336.023. CONFIRMATION ELECTION. A district proposed  
15 under this chapter may be created only if confirmed at an election  
16 held for the purpose of confirming the creation of the district and  
17 approving a sales tax or an ad valorem tax on property in the  
18 district.

19 Sec. 336.024. PAYMENT OF CONFIRMATION ELECTION COSTS. The  
20 lead governmental entity may not order the confirmation election  
21 until the entity deposits with the county clerk an amount of money  
22 equal to the cost of conducting the confirmation election, as  
23 computed by the county clerk.

24 Sec. 336.025. ORDERING CONFIRMATION ELECTION. (a) At a  
25 regular or special meeting of the governing body of the lead  
26 governmental entity held to discuss the creation of a district, the  
27 governing body shall determine whether the district will be

1 supported by a sales tax or by an ad valorem tax on property located  
2 in the proposed district.

3 (b) The governing body may order a confirmation election to  
4 confirm the district's creation and to confirm the imposition of a  
5 sales tax or of an ad valorem tax on property located in the  
6 proposed district.

7 (c) The election ordered shall be held on an authorized  
8 uniform election date under Chapter 41, Election Code, that occurs  
9 on or after the 45th day after the date the election is ordered.

10 (d) In addition to the elements required to be included by  
11 the Election Code, the election order must state:

12 (1) the ballot proposition stating the measure to be  
13 voted on;

14 (2) the hours that the polls will be open; and

15 (3) the location of each polling place.

16 Sec. 336.026. NOTICE OF CONFIRMATION ELECTION. (a) The  
17 lead governmental entity shall give notice of the election by  
18 publishing a substantial copy of the election order once a week for  
19 two consecutive weeks in a newspaper with general circulation in  
20 the county in which the proposed district is located.

21 (b) The notice must be published not earlier than the 30th  
22 day and not later than the 10th day before election day.

23 Sec. 336.027. BALLOT PROPOSITION. (a) If the governing  
24 body of the lead governmental entity determines under Section  
25 336.025 that the district should be supported by a sales tax, the  
26 ballot for the election shall be printed to permit voting for or  
27 against the proposition: "The creation of a multi-jurisdictional

1 library district to be known as the \_\_\_\_\_ (name of district)  
2 and adoption of a sales tax in the \_\_\_\_\_ (name of district) at  
3 the rate of \_\_\_\_\_ (rate of tax) percent."

4 (b) If the governing body of the lead governmental entity  
5 determines under Section 336.025 that the district should be  
6 supported by an ad valorem tax, the ballot for the election shall be  
7 printed to permit voting for or against the proposition: "The  
8 creation of a multi-jurisdictional library district to be known as  
9 the \_\_\_\_\_ (name of district) and adoption of an ad valorem tax  
10 in the \_\_\_\_\_ (name of district) at a rate up to \_\_\_\_\_ (rate  
11 of tax) cents per \$100 valuation of property to provide revenue for  
12 the district."

13 Sec. 336.028. RESULTS OF CONFIRMATION ELECTION. (a) If a  
14 majority of the voters voting in the election favor the creation of  
15 the district and the adoption of a sales tax or of an ad valorem tax,  
16 the lead governmental entity shall by resolution or order declare  
17 that the district is created and shall declare the rate of the sales  
18 tax or the amount of the ad valorem tax adopted and enter the result  
19 in its minutes.

20 (b) If a majority of the voters voting in the election are  
21 against the creation of the district, the lead governmental entity  
22 shall declare the measure defeated and enter the result in its  
23 minutes.

24 (c) An order under Subsection (a) must:

25 (1) contain a description of the district's boundaries  
26 and a map of the district;

27 (2) state the election date; and

1           (3) state the total number of votes cast for and  
2 against the ballot proposition.

3           (d) The lead governmental entity must file in the deed  
4 records of the county in which the district is located an order  
5 issued under Subsection (a).

6           Sec. 336.029. INITIAL BOARD AND PRESIDING OFFICER.

7           (a) Appointments to the initial board are made as provided by  
8 Subchapter C, except that the initial trustees shall agree to  
9 stagger their terms, with four members' terms expiring in two years  
10 and three members' terms expiring in one year. If the trustees  
11 cannot agree on the initial staggering, the trustees shall draw  
12 lots to determine the staggering.

13           (b) The lead governmental entity shall appoint the board's  
14 initial presiding officer to serve a two-year term in that  
15 capacity. The requirement of Section 336.056 that the board of  
16 trustees elect the presiding officer does not apply to the  
17 presiding officer appointed under this subsection.

18           Sec. 336.030. REPAYMENT OF ORGANIZATIONAL EXPENSES.

19           (a) The district may:

20                   (1) pay all costs and expenses necessarily incurred in  
21 the creation and organization of the district; and

22                   (2) reimburse any person for money advanced for the  
23 costs and expenses described by Subdivision (1).

24           (b) Payments under this section may be made from money  
25 obtained from taxes or other district revenue.

26           [Sections 336.031-336.050 reserved for expansion]

1                    SUBCHAPTER C. BOARD OF TRUSTEES

2                    Sec. 336.051. GOVERNING BODY. A district is governed by a  
3 seven-member board of trustees. The board has control over and  
4 shall manage the affairs of the district.

5                    Sec. 336.052. APPOINTMENT. (a) The lead governmental  
6 entity shall appoint four trustees to the board.

7                    (b) A county in which the district is located shall appoint  
8 three trustees to the board, unless the county is the lead  
9 governmental entity. If the county is the lead governmental  
10 entity, the largest municipality in the county shall appoint three  
11 trustees.

12                    Sec. 336.053. ELIGIBILITY FOR APPOINTMENT. A person is  
13 eligible for appointment to the board if the person:

14                    (1) resides in the district;

15                    (2) is registered to vote in the county in which the  
16 district is located; and

17                    (3) has recognized expertise in:

18                    (A) library services;

19                    (B) education;

20                    (C) information technology; or

21                    (D) business management.

22                    Sec. 336.054. TERMS. (a) Trustees serve staggered  
23 two-year terms.

24                    (b) A trustee may not serve more than two consecutive terms  
25 or more than four terms.

26                    (c) A trustee who has served two consecutive terms but fewer  
27 than four terms is eligible for appointment to a new term on the

1 date one year after the date on which the trustee's former term  
2 ended.

3 Sec. 336.055. VACANCY. A vacancy on the board shall be  
4 filled by appointment by the governmental entity that appointed the  
5 vacating member.

6 Sec. 336.056. OFFICERS. (a) The board shall elect a  
7 trustee to serve as the board's presiding officer. The presiding  
8 officer presides at all board meetings and is the chief executive  
9 officer of the district.

10 (b) The board shall elect from among its members a vice  
11 presiding officer, secretary, and any other officers the board  
12 considers necessary.

13 (c) The vice presiding officer acts as the presiding officer  
14 if the presiding officer is incapacitated or absent from a meeting.

15 (d) The secretary acts as the presiding officer if both the  
16 presiding officer and vice presiding officer are incapacitated or  
17 absent from a meeting.

18 Sec. 336.057. MEETINGS AND NOTICE. (a) The board may  
19 establish regular meetings to conduct district business and may  
20 hold special meetings at other times as the business of the district  
21 requires.

22 (b) The board shall hold its meetings at a designated  
23 meeting place.

24 Sec. 336.058. CONFLICT OF INTEREST IN CONTRACT. (a) For  
25 purposes of this section, a trustee who is an employee of, or a  
26 trustee related within the second degree by affinity or  
27 consanguinity as determined under Subchapter B, Chapter 573,



1 Government Code, to, a person who is financially interested in a  
2 contract is considered to be financially interested in the  
3 contract.

4 (b) A trustee who is financially interested in a contract  
5 may not vote on the acceptance of the contract or participate in the  
6 discussion on the contract.

7 (c) A trustee who is financially interested in a contract  
8 with the district shall disclose that fact to the other trustees.  
9 The disclosure shall be entered into the minutes of the meeting.

10 (d) The failure of a trustee to disclose the trustee's  
11 financial interest in a contract and to have the disclosure entered  
12 in the minutes invalidates the contract.

13 [Sections 336.059-336.100 reserved for expansion]

14 SUBCHAPTER D. OTHER ADMINISTRATIVE PROVISIONS

15 Sec. 336.101. BYLAWS. The board may adopt bylaws to govern:

16 (1) the time, place, and manner of conducting board  
17 meetings;

18 (2) the powers, duties, and responsibilities of the  
19 board's officers and employees;

20 (3) the disbursement of money by a check, draft, or  
21 warrant;

22 (4) the appointment and authority of board committees;

23 (5) the keeping of accounts and other records; and

24 (6) any other matter the board considers appropriate.

25 Sec. 336.102. EMPLOYEES. (a) The board may employ any  
26 person the board considers necessary for conducting the district's  
27 affairs.

1       (b) The board may remove any employee.

2       Sec. 336.103. EXECUTIVE DIRECTOR. (a) The board may  
3 employ an executive director to administer the affairs of the  
4 district under policies and requirements established by the board.

5       (b) The qualification requirements for a county librarian  
6 under Section 441.007, Government Code, and under any rules adopted  
7 by the Texas State Library and Archives Commission under that  
8 section, apply to the executive director.

9       (c) The board shall set the compensation of the executive  
10 director.

11       (d) The board may delegate to the executive director the  
12 board's authority to hire, establish the compensation of, review  
13 the performance of, discipline, or remove a district employee.

14       Sec. 336.104. BOND. The board may require an officer or  
15 employee to execute a bond payable to the district and conditioned  
16 on the faithful performance of the person's duties.

17       Sec. 336.105. EMPLOYEE PLANS. (a) The board may provide  
18 for and administer a workers' compensation, health benefit,  
19 retirement, disability, or death compensation plan for district  
20 employees.

21       (b) The board may adopt a plan to accomplish the purpose of  
22 this section.

23       (c) The board, after notice and a hearing, may change any  
24 plan or rule adopted under this section.

25       Sec. 336.106. RECORDS; SECRETARY. (a) The secretary is  
26 responsible for ensuring that all district books and other records  
27 are properly maintained.

1       (b) The board may appoint the executive director or an  
2 employee as assistant or deputy secretary to assist the secretary  
3 in performing the secretary's duties under this section. The  
4 assistant or deputy secretary may certify the authenticity of any  
5 district record.

6           [Sections 336.107-336.150 reserved for expansion]

7                   SUBCHAPTER E. POWERS AND DUTIES

8       Sec. 336.151. GENERAL POWERS OF DISTRICT. A district has  
9 all authority necessary to accomplish district purposes.

10       Sec. 336.152. RULES; VIOLATION OF RULES. (a) The board  
11 may adopt reasonable rules to accomplish district purposes.

12       (b) The board may set monetary charges in reasonable amounts  
13 for the violation of a district rule.

14       (c) The board may exclude from the use of a public library or  
15 other historical information facility a person who intentionally  
16 violates a rule adopted by the board under this section.

17       Sec. 336.153. LOCATION OF PUBLIC LIBRARY AND HISTORICAL  
18 INFORMATION FACILITIES. A district may locate a public library  
19 facility or other historical information facility at any place in  
20 the district, including the territory of a political subdivision  
21 within the district.

22       Sec. 336.154. CONTRACTS. A district may contract with any  
23 person for any district purpose.

24       Sec. 336.155. AGREEMENTS WITH OTHER POLITICAL  
25 SUBDIVISIONS. (a) A district may contract with a municipality,  
26 county, or other political subdivision for the district to provide  
27 public library or other historical information facility services

1 outside the district.

2 (b) A district may enter into one or more agreements with  
3 any municipality included in the area of the district for the  
4 acquisition or operation of the municipality's library or other  
5 historical information facilities.

6 Sec. 336.156. PROPERTY AND EQUIPMENT. (a) A district may  
7 construct, acquire, own, lease, operate, maintain, repair, or  
8 improve any land, works, materials, supplies, improvements,  
9 facilities, equipment, vehicles, machinery, appliances, or other  
10 property as necessary.

11 (b) If a district acquires property of any kind related to  
12 the operation of a public library or other historical information  
13 facility, the district may assume the contracts and obligations of  
14 the previous owner.

15 (c) A district may hold, use, sell, lease, dispose of, and  
16 acquire, by any means, property and licenses, patents, rights, and  
17 other interests necessary, convenient, or useful to the exercise of  
18 any district power.

19 Sec. 336.157. SURPLUS PROPERTY. A district may sell,  
20 lease, or dispose of in any other manner and at any time:

21 (1) any right, interest, or property of the district  
22 that is not needed for, or, if a lease, is inconsistent with, the  
23 efficient operation and maintenance of a public library or other  
24 historical information facility; or

25 (2) surplus materials or other property that is not  
26 needed for a district purpose.

27 Sec. 336.158. SUITS. (a) A district may sue and be sued in

1 any court of this state in the name of the district.

2 (b) A court of this state shall take judicial notice of the  
3 establishment of a district.

4 (c) A district is not required to give security for costs in  
5 a suit or to give a supersedeas or cost bond in an appeal of a  
6 judgment.

7 Sec. 336.159. EXPANSION OF DISTRICT. (a) The district may  
8 expand to include additional territory if the commissioners court  
9 of the county in which the district is located holds an election for  
10 that purpose in the territory to be added to the district.

11 (b) If a majority of the voters voting at the expansion  
12 election approve the expansion of the district, the territory of  
13 the district is expanded.

14 [Sections 336.160-336.200 reserved for expansion]

15 SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

16 Sec. 336.201. BORROWING. A district may borrow money.

17 Sec. 336.202. FEES; GENERAL. (a) A district may impose  
18 any necessary charges or fee for providing a district service.

19 (b) A district may discontinue a service to enforce payment  
20 of an unpaid charge or fee that is owed to the district.

21 Sec. 336.203. LIBRARY OR OTHER HISTORICAL INFORMATION  
22 FACILITY FEES. A library or other historical information facility  
23 created under this chapter may charge reasonable fees to remove  
24 certain materials from the library or other historical information  
25 facility or for other services provided by the library or other  
26 historical information facility.

27 Sec. 336.204. DEPOSITORY. (a) The board shall designate

1 one or more banks inside or outside of the district to serve as the  
2 depository for district money.

3 (b) The district shall deposit district tax revenue in a  
4 depository bank.

5 Sec. 336.205. EXPENDITURES. A district may disburse  
6 district money only by check, draft, money order, or another  
7 instrument that must be signed by one or more officers or employees  
8 of the district as designated by the board.

9 Sec. 336.206. ACCOUNTS AND RECORDS; AUDITS. (a) A  
10 district shall keep a complete system of accounts.

11 (b) The district shall have an annual audit of the district  
12 affairs performed by an independent certified public accountant.

13 (c) A signed copy of the audit report shall be delivered to  
14 each trustee not later than the 120th day after the closing date of  
15 each fiscal year.

16 (d) A copy of the audit report shall be kept on file at the  
17 district office and shall be made available for inspection by any  
18 interested person during regular business hours.

19 Sec. 336.207. FISCAL YEAR. The fiscal year of the district  
20 is from October 1 to September 30, unless the board adopts another  
21 fiscal year.

22 Sec. 336.208. GRANTS AND DONATIONS. A district may accept  
23 and administer a grant or donation from any source for any district  
24 purpose.

25 [Sections 336.209-336.250 reserved for expansion]

26 SUBCHAPTER G. TAXES

27 Sec. 336.251. AD VALOREM TAX ASSESSMENT AND COLLECTION.

1 (a) The board shall cause the taxable property in its district to  
2 be assessed for ad valorem taxation and the ad valorem taxes in the  
3 district to be collected, in accordance with any one of the methods  
4 set forth in this section, and any method adopted remains in effect  
5 until changed by the board.

6 (b) The board may have the taxable property in its district  
7 assessed or its taxes collected, in whole or in part, by the tax  
8 assessors or tax collectors of any county, municipality, taxing  
9 district, or other governmental entity in which all or any part of  
10 the district is located. The tax assessors or tax collectors of a  
11 governmental subdivision, on the request of the board, shall assess  
12 and collect the taxes of the district in the manner prescribed in  
13 the Property Tax Code. Tax assessors and tax collectors shall  
14 receive compensation in an amount agreed on between the appropriate  
15 parties, but not to exceed two percent of the ad valorem taxes  
16 assessed.

17 Sec. 336.252. IMPOSITION, COMPUTATION, ADMINISTRATION, AND  
18 GOVERNANCE OF SALES TAX. (a) A district may impose a sales and use  
19 tax.

20 (b) Chapter 323, Tax Code, to the extent not inconsistent  
21 with this chapter, governs the imposition, computation,  
22 administration, and governance of the sales and use tax under this  
23 subchapter, except that Sections 323.101, 323.105, 323.404, and  
24 323.406-323.408, Tax Code, do not apply.

25 (c) Chapter 323, Tax Code, does not apply to the use and  
26 allocation of revenue under this chapter.

27 (d) In applying the procedures under Chapter 323, Tax Code,

1 to the district, the district's name shall be substituted for "the  
2 county," and "board of trustees" is substituted for "commissioners  
3 court."

4 Sec. 336.253. SALES AND USE TAX RATES. The permissible  
5 rates for a sales and use tax imposed under this chapter are  
6 one-eighth of one percent, one-fourth of one percent, three-eighths  
7 of one percent, and one-half of one percent.

8 Sec. 336.254. ABOLITION OF OR CHANGE IN AD VALOREM TAX RATE.

9 (a) The board by order may decrease or abolish the ad valorem tax  
10 rate or may call an election to increase, decrease, or abolish the  
11 ad valorem tax rate.

12 (b) At the election, the ballot shall be printed to permit  
13 voting for or against the proposition: "The increase (decrease) in  
14 the ad valorem tax rate of \_\_\_\_\_ (name of district) to a rate up  
15 to \_\_\_\_\_ (rate of tax) cents per \$100 valuation of taxable  
16 property to be used for district purposes" or "The abolition of the  
17 district ad valorem tax." The increase or decrease in the tax rate,  
18 or the abolition of the tax, is effective if it is approved by a  
19 majority of the votes cast.

20 (c) In calling and holding the election, the board shall use  
21 the procedure for the confirmation and tax election in Subchapter  
22 B.

23 Sec. 336.255. USE OF TAX. A tax collected under this  
24 subchapter may be used only for a district purpose and may be  
25 pledged as collateral for borrowing money to further those  
26 purposes.

27 [Sections 336.256-336.300 reserved for expansion]



SUBCHAPTER H. BONDS

1  
2 Sec. 336.301. DEFINITION. In this subchapter, "bond"  
3 includes a note.

4 Sec. 336.302. GENERAL POWER TO ISSUE BONDS. (a) A  
5 district may issue bonds at any time and for any amount it considers  
6 necessary or appropriate to acquire, construct, equip, or improve  
7 district facilities.

8 (b) The board by resolution may authorize the issuance of  
9 bonds payable solely from revenue.

10 Sec. 336.303. SHORT-TERM BONDS. (a) The board by  
11 resolution may issue bonds that are secured by revenue or taxes of  
12 the district if the bonds:

13 (1) have a term of not more than 12 months; and

14 (2) are payable only from revenue or taxes received on  
15 or after the date of their issuance and before the end of the fiscal  
16 year following the fiscal year in which the bonds are issued.

17 (b) Approval by the attorney general or registration with  
18 the comptroller is not required for a bond issued under this  
19 section.

20 (c) An election is not required to issue bonds under this  
21 section.

22 Sec. 336.304. ELECTION REQUIRED FOR CERTAIN BONDS SECURED  
23 BY TAXES. Except for short-term bonds issued under Section  
24 336.303, bonds payable wholly or partly from taxes may not be issued  
25 unless authorized by a majority of the votes received in an election  
26 held for that purpose.

27 Sec. 336.305. SECURITY PLEDGED. (a) To secure the payment

1 of a district's bonds, the district may:

2 (1) pledge all or part of revenue realized from any tax  
3 that the district may impose;

4 (2) pledge all or part of revenue from library or other  
5 historical information facilities; or

6 (3) mortgage all or part of the district's facilities,  
7 including any part of the facilities subsequently acquired.

8 (b) A district may, subject to the terms of the bond  
9 indenture or the resolution authorizing the issuance of the bonds,  
10 secure payment of district bonds by encumbering a separate item of  
11 the district facilities and may acquire, use, hold, or contract for  
12 the property by lease, chattel mortgage, or other conditional sale.

13 (c) This subchapter does not prohibit a district from  
14 encumbering one or more library or other historical information  
15 facilities to purchase, construct, or improve one or more other  
16 district facilities.

17 Sec. 336.306. LIEN ON REVENUE. The expense of operation and  
18 maintenance of library or other historical information facilities,  
19 including salaries, labor, materials, and repairs necessary to  
20 provide efficient service, and every other proper item of expense  
21 are a first lien and charge against the revenue of a district  
22 encumbered under this chapter.

23 Sec. 336.307. EXCHANGE OF BONDS FOR EXISTING LIBRARY OR  
24 OTHER HISTORICAL INFORMATION FACILITIES. A district's revenue  
25 bonds may be exchanged, in lieu of cash, for the property of all or  
26 part of existing library or other historical information facilities  
27 to be acquired by the district.

1           SECTION 3. This Act takes effect immediately if it receives  
2 a vote of two-thirds of all the members elected to each house, as  
3 provided by Section 39, Article III, Texas Constitution. If this  
4 Act does not receive the vote necessary for immediate effect, this  
5 Act takes effect September 1, 2005.