By: McReynolds   H.B. No. 1720

A BILL TO BE ENTITLED

1   AN ACT

2   relating to the counties eligible to create a county assistance

3   district that may impose a sales and use tax.

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

5   SECTION 1. Section 387.002, Local Government Code, is

6   amended to read as follows:

7   Sec. 387.002. APPLICABILITY. This chapter applies only to

8   a county that has a population of less than 50,000 [45,000 if:

9   [(1) any portion of the county is included in an

10   authority governed by Chapter 451 or 452, Transportation Code; or

11   [(2) the county does not contain any part of a

12   municipality that, before the commissioners court of the county

13   calls an election on the question of creating a district under

14   Section 387.003, has:

15   [(A) created a development corporation under

16   Section 4A or 4B, Development Corporation Act of 1979 (Article

17   5190.6, Vernon's Texas Civil Statutes); or

18   [(B) imposed a sales and use tax that when

19   combined with any other sales and use tax applicable in the

20   municipality, exceeds two percent].

21   SECTION 2. Section 387.003, Local Government Code, is

22   amended by amending Subsections (a), (b), and (f) and adding

23   Subsections (b-1), (g), and (h) to read as follows:

24   (a) The commissioners court of the county may call an

1 election on the question of creating a county assistance district

2 under this chapter to perform the following functions in the

3 district:

4   (1) the construction, maintenance, or improvement of

5 roads or highways;

6   (2) the provision of law enforcement and detention

7 services;

8   (3) the maintenance or improvement of libraries,

9 museums, parks, or other recreational facilities;

10   (4) the provision of services that benefit the public

11 health or welfare, including the provision of firefighting and fire

12 prevention services; or

13   (5) the promotion of economic development and tourism.

14   (b) The order calling the election must:

15   (1) define the boundaries of the district to include

16 any portion of the county in which the combined tax rate of all

17 local sales and use taxes imposed, including the rate to be imposed

18 by the district if approved at the election, would not exceed two

19 percent [that is not located in an authority governed by Chapter 451

20 or 452, Transportation Code]; and

21   (2) call for the election to be held within those

22 boundaries.

23   (b-1) If the proposed district includes any territory of a

24 municipality, the commissioners court shall send notice by

25 certified mail to the governing body of the municipality of the

26 commissioners court's intent to create the district. If the

27 municipality has created a development corporation under Section 4A

1 or 4B, Development Corporation Act of 1979 (Article 5190.6,

2 Vernon's Texas Civil Statutes), the commissioners court shall also

3 send the notice to the board of directors of the corporation. The

4 commissioners court must send the notice not later than the 60th day

5 before the date the commissioners court orders the election. The

6 governing body of the municipality may exclude the territory of the

7 municipality from the proposed district by sending notice by

8 certified mail to the commissioners court of the governing body's

9 desire to exclude the municipal territory from the district. The

10 governing body must send the notice not later than the 45th day

11 after the date the governing body receives notice from the

12 commissioners court under this subsection. The territory of a

13 municipality that is excluded under this subsection may

14 subsequently be included in the district in an election held under

15 Subsection (f) with the consent of the municipality.

16   (f) The commissioners court may call an election to be held

17 in an area of the county that is not located in a district created

18 under this section to determine whether the area should be included

19 in the district and whether the district's sales and use tax should

20 be imposed in the area. An election may not be held in an area in

21 which the combined tax rate of all local sales and use taxes

22 imposed, including the rate to be imposed by the district if

23 approved at the election, would exceed two percent [that is

24 included in an authority governed by Chapter 451 or 452,

25 Transportation Code].

26   (g) The area in which an election is held under Subsection

27 (f) is included in the district and the sales and use tax is imposed

1 if a majority of the votes received at the election favor inclusion

2 in the district and imposition of the sales and use tax.

3   (h) If more than one election to authorize a sales and use

4 tax is held on the same day in the area of a proposed district or an

5 area proposed to be added to a district and if the resulting

6 approval by the voters would cause the imposition of a sales and use

7 tax in any area to exceed two percent, only a tax authorized at an

8 election under this section may be imposed.

9   SECTION 3. The change in law made by this Act by adding

10 Section 387.003(b-1), Local Government Code, applies only to an

11 election ordered on or after the effective date of this Act.

12   SECTION 4. This Act takes effect immediately if it receives

13 a vote of two-thirds of all the members elected to each house, as

14 provided by Section 39, Article III, Texas Constitution. If this

15 Act does not receive the vote necessary for immediate effect, this

16 Act takes effect September 1, 2007.