

AN ACT

relating to the counties eligible to create a county assistance district that may impose a sales and use tax.

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

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 Section 387.002, Local Government Code, is repealed.

SECTION 2. Section 387.003, Local Government Code, is amended by amending Subsections (a), (b), and (f) and adding Subsections (b-1), (g), and (h) to read as follows:

(a) The commissioners court of the county may call an election on the question of creating a county assistance district under this chapter to perform the following functions in the district:

(1) the construction, maintenance, or improvement of roads or highways;

(2) the provision of law enforcement and detention services;

(3) the maintenance or improvement of libraries, museums, parks, or other recreational facilities;

(4) the provision of services that benefit the public health or welfare, including the provision of firefighting and fire prevention services; or

(5) the promotion of economic development and tourism.

(b) The order calling the election must:

1 (1) define the boundaries of the district to include
2 any portion of the county in which the combined tax rate of all
3 local sales and use taxes imposed, including the rate to be imposed
4 by the district if approved at the election, would not exceed two
5 percent [~~that is not located in an authority governed by Chapter 451~~
6 ~~or 452, Transportation Code~~]; and

7 (2) call for the election to be held within those
8 boundaries.

9 (b-1) If the proposed district includes any territory of a
10 municipality, the commissioners court shall send notice by
11 certified mail to the governing body of the municipality of the
12 commissioners court's intent to create the district. If the
13 municipality has created a development corporation under Section 4A
14 or 4B, Development Corporation Act of 1979 (Article 5190.6,
15 Vernon's Texas Civil Statutes), the commissioners court shall also
16 send the notice to the board of directors of the corporation. The
17 commissioners court must send the notice not later than the 60th day
18 before the date the commissioners court orders the election. The
19 governing body of the municipality may exclude the territory of the
20 municipality from the proposed district by sending notice by
21 certified mail to the commissioners court of the governing body's
22 desire to exclude the municipal territory from the district. The
23 governing body must send the notice not later than the 45th day
24 after the date the governing body receives notice from the
25 commissioners court under this subsection. The territory of a
26 municipality that is excluded under this subsection may
27 subsequently be included in the district in an election held under

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

2 (f) The commissioners court may call an election to be held
3 in an area of the county that is not located in a district created
4 under this section to determine whether the area should be included
5 in the district and whether the district's sales and use tax should
6 be imposed in the area. An election may not be held in an area in
7 which the combined tax rate of all local sales and use taxes
8 imposed, including the rate to be imposed by the district if
9 approved at the election, would exceed two percent [~~that is~~
10 ~~included in an authority governed by Chapter 451 or 452,~~
11 ~~Transportation Code~~].

12 (g) The area in which an election is held under Subsection
13 (f) is included in the district and the sales and use tax is imposed
14 if a majority of the votes received at the election favor inclusion
15 in the district and imposition of the sales and use tax.

16 (h) If more than one election to authorize a local sales and
17 use tax is held on the same day in the area of a proposed district or
18 an area proposed to be added to a district and if the resulting
19 approval by the voters would cause the imposition of a local sales
20 and use tax in any area to exceed two percent, only a tax authorized
21 at an election under this section may be imposed.

22 SECTION 3. The change in law made by this Act by adding
23 Section 387.003(b-1), Local Government Code, applies only to an
24 election ordered on or after the effective date of this Act.

25 SECTION 4. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

H.B. No. 1720

- 1 Act does not receive the vote necessary for immediate effect, this
- 2 Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 1720 was passed by the House on April 12, 2007, by the following vote: Yeas 135, Nays 6, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1720 on May 21, 2007, by the following vote: Yeas 132, Nays 9, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1720 was passed by the Senate, with amendments, on May 17, 2007, by the following vote: Yeas 29, Nays 2.

Secretary of the Senate

APPROVED: _____

Date

Governor