

1-1 By: McReynolds (Senate Sponsor - Ogden) H.B. No. 1720  
1-2 (In the Senate - Received from the House April 16, 2007;  
1-3 April 17, 2007, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 14, 2007, reported adversely,  
1-5 with favorable Committee Substitute by the following vote: Yeas 4,  
1-6 Nays 0; May 14, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 1720 By: Nichols

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the counties eligible to create a county assistance  
1-11 district that may impose a sales and use tax.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Section 387.002, Local Government Code, is  
1-14 repealed.

1-15 SECTION 2. Section 387.003, Local Government Code, is  
1-16 amended by amending Subsections (a), (b), and (f) and adding  
1-17 Subsections (b-1), (g), and (h) to read as follows:

1-18 (a) The commissioners court of the county may call an  
1-19 election on the question of creating a county assistance district  
1-20 under this chapter to perform the following functions in the  
1-21 district:

1-22 (1) the construction, maintenance, or improvement of  
1-23 roads or highways;

1-24 (2) the provision of law enforcement and detention  
1-25 services;

1-26 (3) the maintenance or improvement of libraries,  
1-27 museums, parks, or other recreational facilities;

1-28 (4) the provision of services that benefit the public  
1-29 health or welfare, including the provision of firefighting and fire  
1-30 prevention services; or

1-31 (5) the promotion of economic development and tourism.

1-32 (b) The order calling the election must:

1-33 (1) define the boundaries of the district to include  
1-34 any portion of the county in which the combined tax rate of all  
1-35 local sales and use taxes imposed, including the rate to be imposed  
1-36 by the district if approved at the election, would not exceed two  
1-37 percent [that is not located in an authority governed by Chapter 451  
1-38 or 452, Transportation Code]; and

1-39 (2) call for the election to be held within those  
1-40 boundaries.

1-41 (b-1) If the proposed district includes any territory of a  
1-42 municipality, the commissioners court shall send notice by  
1-43 certified mail to the governing body of the municipality of the  
1-44 commissioners court's intent to create the district. If the  
1-45 municipality has created a development corporation under Section 4A  
1-46 or 4B, Development Corporation Act of 1979 (Article 5190.6,  
1-47 Vernon's Texas Civil Statutes), the commissioners court shall also  
1-48 send the notice to the board of directors of the corporation. The  
1-49 commissioners court must send the notice not later than the 60th day  
1-50 before the date the commissioners court orders the election. The  
1-51 governing body of the municipality may exclude the territory of the  
1-52 municipality from the proposed district by sending notice by  
1-53 certified mail to the commissioners court of the governing body's  
1-54 desire to exclude the municipal territory from the district. The  
1-55 governing body must send the notice not later than the 45th day  
1-56 after the date the governing body receives notice from the  
1-57 commissioners court under this subsection. The territory of a  
1-58 municipality that is excluded under this subsection may  
1-59 subsequently be included in the district in an election held under  
1-60 Subsection (f) with the consent of the municipality.

1-61 (f) The commissioners court may call an election to be held  
1-62 in an area of the county that is not located in a district created  
1-63 under this section to determine whether the area should be included

2-1 in the district and whether the district's sales and use tax should  
2-2 be imposed in the area. An election may not be held in an area in  
2-3 which the combined tax rate of all local sales and use taxes  
2-4 imposed, including the rate to be imposed by the district if  
2-5 approved at the election, would exceed two percent [~~that is~~  
2-6 ~~included in an authority governed by Chapter 451 or 452,~~  
2-7 ~~Transportation Code~~].

2-8 (g) The area in which an election is held under Subsection  
2-9 (f) is included in the district and the sales and use tax is imposed  
2-10 if a majority of the votes received at the election favor inclusion  
2-11 in the district and imposition of the sales and use tax.

2-12 (h) If more than one election to authorize a local sales and  
2-13 use tax is held on the same day in the area of a proposed district or  
2-14 an area proposed to be added to a district and if the resulting  
2-15 approval by the voters would cause the imposition of a local sales  
2-16 and use tax in any area to exceed two percent, only a tax authorized  
2-17 at an election under this section may be imposed.

2-18 SECTION 3. The change in law made by this Act by adding  
2-19 Section 387.003(b-1), Local Government Code, applies only to an  
2-20 election ordered on or after the effective date of this Act.

2-21 SECTION 4. This Act takes effect immediately if it receives  
2-22 a vote of two-thirds of all the members elected to each house, as  
2-23 provided by Section 39, Article III, Texas Constitution. If this  
2-24 Act does not receive the vote necessary for immediate effect, this  
2-25 Act takes effect September 1, 2007.

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