

House Bill 1720
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 387.002, Local Government Code, is amended to read as follows:

Sec. 387.002. APPLICABILITY. This chapter applies only to a county that has a population of less than 50,000 ~~[45,000 if:~~

~~[(1) any portion of the county is included in an authority governed by Chapter 451 or 452, Transportation Code; or~~

~~[(2) the county does not contain any part of a municipality that, before the commissioners court of the county calls an election on the question of creating a district under Section 387.003, has:~~

~~[(A) created a development corporation under Section 4A or 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes); or~~

~~[(B) imposed a sales and use tax that when combined with any other sales and use tax applicable in the municipality, exceeds two percent].~~

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

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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 Section 387.002, Local Government Code, is repealed.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:

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- (2) the provision of law enforcement and detention

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

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

(b-1) If the proposed district includes any territory of a municipality, the commissioners court shall send notice by certified mail to the governing body of the municipality of the commissioners court's intent to create the district. If the municipality has created a development corporation under Section 4A or 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), the commissioners court shall also send the notice to the board of directors of the corporation. The commissioners court must send the notice not later than the 60th day before the date the commissioners court orders the election. The governing

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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

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

(b-1) If the proposed district includes any territory of a municipality, the commissioners court shall send notice by certified mail to the governing body of the municipality of the commissioners court's intent to create the district. If the municipality has created a development corporation under Section 4A or 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), the commissioners court shall also send the notice to the board of directors of the corporation. The commissioners court must send the notice not later than the 60th day before the date the commissioners court orders the election. The governing

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body of the municipality may exclude the territory of the municipality from the proposed district by sending notice by certified mail to the commissioners court of the governing body's desire to exclude the municipal territory from the district. The governing body must send the notice not later than the 45th day after the date the governing body receives notice from the commissioners court under this subsection. The territory of a municipality that is excluded under this subsection may subsequently be included in the district in an election held under Subsection (f) with the consent of the municipality.

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

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

(h) If more than one election to authorize a sales and use tax is held on the same day in the area of a proposed

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body of the municipality may exclude the territory of the municipality from the proposed district by sending notice by certified mail to the commissioners court of the governing body's desire to exclude the municipal territory from the district. The governing body must send the notice not later than the 45th day after the date the governing body receives notice from the commissioners court under this subsection. The territory of a municipality that is excluded under this subsection may subsequently be included in the district in an election held under Subsection (f) with the consent of the municipality.

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

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

(h) If more than one election to authorize a local sales and use tax is held on the same day in the area of a

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district or an area proposed to be added to a district and if the resulting approval by the voters would cause the imposition of a sales and use tax in any area to exceed two percent, only a tax authorized at an election under this section may be imposed.

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

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

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