

By: Gallegos

S.B. No. 1996

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation of and sales and use taxes imposed by
3 county assistance districts.

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

5 SECTION 1. Section 387.003, Local Government Code, is
6 amended to read as follows:

7 Sec. 387.003. CREATION AND FUNCTIONS OF DISTRICT. (a) The
8 commissioners court of a [the] county may create by order ~~[call an~~
9 ~~election on the question of creating]~~ a county assistance district
10 under this chapter to perform the following functions in the
11 district:

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

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

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

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

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

22 (b) Before the commissioners court of a county may create a
23 county assistance district under this chapter, the commissioners
24 court shall conduct two public hearings at which members of the

1 public who wish to present testimony or evidence regarding the
2 proposed district shall be given the opportunity to do so. Notice
3 of the public hearing shall be provided by the county in the same
4 manner as notice of a hearing is provided by a municipality under
5 Section 43.0751(d). The notice [~~The order calling the election~~]
6 must [+

7 [~~(1)~~] define the boundaries of the district to include
8 any portion of the county in which the combined tax rate of all
9 local sales and use taxes imposed, including the rate to be imposed
10 by the district if approved [~~at the election~~], would not exceed two
11 percent. The notice must state that a sales and use tax shall be
12 imposed for the purpose of financing the district and shall state
13 the rate of the tax [~~, and~~

14 [~~(2) call for the election to be held within those~~
15 ~~boundaries~~].

16 (b-1) If the proposed district includes any territory of a
17 municipality, the commissioners court shall send notice by
18 certified mail to the governing body of the municipality of the
19 commissioners court's intent to create the district. If the
20 municipality has created a development corporation under Section 4A
21 or 4B, Development Corporation Act of 1979 (Article 5190.6,
22 Vernon's Texas Civil Statutes), the commissioners court shall also
23 send the notice to the board of directors of the corporation. The
24 commissioners court must send the notice not later than the 60th day
25 before the date the commissioners court enters the order creating
26 the district [~~orders the election~~]. The governing body of the
27 municipality may exclude the territory of the municipality from the

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

10 ~~[(c) The ballot at the election must be printed to permit~~
11 ~~voting for or against the proposition: "Authorizing the creation~~
12 ~~of the _____ County Assistance District (insert name of district)~~
13 ~~and the imposition of a sales and use tax at the rate of _____ of one~~
14 ~~percent (insert one-eighth, one-fourth, three-eighths, or~~
15 ~~one-half, as appropriate) for the purpose of financing the~~
16 ~~operations of the district."~~

17 ~~[(d) The district is created if a majority of the votes~~
18 ~~received at the election favor the creation of the district.~~

19 ~~[(e) If a majority of the votes received at the election are~~
20 ~~against the creation of the district, another election on the~~
21 ~~question of creating a county assistance district may not be held in~~
22 ~~the county before the first anniversary of the most recent election~~
23 ~~concerning the creation of a district.~~

24 ~~[(f) The commissioners court may call an election to be held~~
25 ~~in an area of the county that is not located in a district created~~
26 ~~under this section to determine whether the area should be included~~
27 ~~in the district and whether the district's sales and use tax should~~

1 ~~be imposed in the area. An election may not be held in an area in~~
2 ~~which the combined tax rate of all local sales and use taxes~~
3 ~~imposed, including the rate to be imposed by the district if~~
4 ~~approved at the election, would exceed two percent.~~

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

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

15 SECTION 2. Subsection (a), Section 387.007, Local
16 Government Code, is amended to read as follows:

17 (a) A district by order may impose a sales and use tax under
18 this chapter to finance the operations of the district [~~only if the~~
19 ~~tax is approved at an election held under Section 387.003].~~

20 SECTION 3. Subsection (a), Section 387.010, Local
21 Government Code, is amended to read as follows:

22 (a) A district that has adopted a sales and use tax under
23 this chapter may, by order and subject to Section 387.007(b),
24 change the rate of the tax or repeal the tax [~~if the change or repeal~~
25 ~~is approved by a majority of the votes received in the district at~~
26 ~~an election held for that purpose].~~

27 SECTION 4. Subsection (a), Section 387.011, Local

1 Government Code, is amended to read as follows:

2 (a) If the district adopts the tax by order as provided by
3 Section 387.007, a tax is imposed on the receipts from the sale at
4 retail of taxable items in the district at the rate imposed by the
5 order [~~approved at the election~~].

6 SECTION 5. Section 387.012, Local Government Code, is
7 amended to read as follows:

8 Sec. 387.012. EFFECTIVE DATE OF TAX. The adoption of the
9 tax, the change of the tax rate, or the repeal of the tax takes
10 effect on the first day of the first calendar quarter occurring
11 after the expiration of the first complete quarter occurring after
12 the date the comptroller receives a notice of the order [~~results of~~
13 ~~the election~~] adopting, changing, or repealing the tax.

14 SECTION 6. Subsections (c) and (d), Section 387.010, Local
15 Government Code, are repealed.

16 SECTION 7. This Act takes effect September 1, 2009.

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