

BILL ANALYSIS

Senate Research Center

S.B. 1812
By: Armbrister
Intergovernmental Relations
4/26/2001
As Filed

DIGEST AND PURPOSE

Current law allows for the creation of county development districts under Chapter 383 (County Development Districts), Local Government Code, in order to promote the economic welfare of the residents of this state. As proposed, S.B. 1812 creates the Hays County Education District and grants the district the power to impose certain taxes, the proceeds of which are to be used to promote educational initiatives in Hays County.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. CREATION OF DISTRICT. Creates the Hays County Education District (district) as a county development district under Chapter 383 (County Development Districts), Local Government Code. Authorizes the board by resolution to change the district's name. Provides that the creation of the district is essential to accomplish the purposes of Article VII, Section 1 (Support and Maintenance of System of Public Free Schools), and Article III, Section 52-a (Loan or Grant of Public Money for Economic Development), Texas Constitution, and the other public purposes stated in this Act.

SECTION 2. DECLARATION OF INTENT. Provides the declaration of intent.

SECTION 3. DEFINITIONS. Defines "board," "county," "district," "municipality," and "school district."

SECTION 4. BOUNDARIES. Sets forth the boundaries of the district.

SECTION 5. FINDINGS RELATING TO BOUNDARIES. Provides findings relating to boundaries.

SECTION 6. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. Provides findings of benefit and public purpose.

SECTION 7. GENERAL POWERS. Sets forth guidelines regarding the district's rights, powers, privileges, authority, and functions. Provides that, if any provision of the general law is in conflict or inconsistent with this Act, this Act prevails. Provides that any general law which supplements the power and authority of the district, to the extent not in conflict or inconsistent with this Act, is adopted and incorporated by reference. Provides that Subchapters B and C of Chapter 383, Local Government Code, and Sections 383.084 (Adding and Excluding Land from the District) and 383.102 (Imposition, Computation, Administration, and Governance of Tax) through 383.105 (Use of Tax), 383.111 (Competitive Bidding), and 383.122 (Dissolution by Order of Commissioners Court), Local Government Code, and Section 352.107 (Hotel Tax Authorized for County Development Districts), Tax Code, do not apply to the district.

SECTION 8. ADDITIONAL POWERS OF DISTRICT. Sets forth guidelines regarding the additional powers of the district.

SECTION 9. LIMITATION ON POWERS OF DISTRICT. Provides that the district does not have the power to levy assessments, impact fees, or ad valorem property taxes. Prohibits the district, notwithstanding any provision of law to the contrary, from exercising the power of eminent domain for any purpose.

SECTION 10. BOARD OF DIRECTORS IN GENERAL. Sets forth guidelines regarding the board of directors, officers, and employees of the district.

SECTION 11. APPOINTMENT OF DIRECTORS. Sets forth guidelines regarding the appointment of directors and directors' initial terms of office.

SECTION 12. LIMITED SALES AND USE TAX. (a) Authorizes the district, without further authorization, to impose a sales and use tax by order or resolution of the board.

(b) Authorizes the board to adopt, repeal, or change the rate of the limited sales and use tax authorized by this Act without holding an election.

(c) Requires the provisions of Subchapters B (Assessment and Computation of Taxes), C (Administration of Taxes), and D (Revenue Deposit, Distribution, and Use), Chapter 322, Tax Code, relating to sales and use taxes for special purpose taxing authorities, to apply to the application, collection, and administration of a sales and use tax imposed under this Act, to the extent not inconsistent with the provisions of this Act, and with the same effect as if references therein to a taxing entity or the entity area referred to the district or the area within the boundaries of the district.

(d) Sets forth guidelines regarding the effective date of a tax imposed under this Act or the repeal or change in rate of a tax under this Act.

(e) Provides that, on adoption of the tax authorized by this Act, certain taxes are imposed in the district. Sets forth guidelines regarding the tax rates. Defines "use" with respect to a taxable service.

(f) Provides that the district is entitled to examine and receive certain information from the comptroller of public accounts.

SECTION 13. LIMITATION ON ADOPTION OF TAX. Authorizes the district to adopt a sales and use tax under certain conditions. Provides that, under certain conditions, the district's sales and use tax rate is automatically reduced to a certain rate. Requires Section 383.106(c) (regarding Limitation on Adoption of Tax), Local Government Code, to apply under certain conditions.

SECTION 14. USE OF SALES AND USE TAX PROCEEDS. Authorizes sales and use taxes collected under this Act to be used only for the educational purposes for which the district is created, and authorizes the district to pledge the revenue derived from the district sales and use tax to the payment of bonds, notes or other obligations issued by the district.

SECTION 15. HOTEL OCCUPANCY TAX. Defines "hotel." Sets forth guidelines regarding the district imposing a hotel occupancy tax.

SECTION 16. USE OF HOTEL OCCUPANCY TAX PROCEEDS. Requires the district to apply the proceeds from a hotel occupancy tax imposed under this Act for certain purposes. Authorizes the district to pledge the revenue derived from a hotel occupancy tax imposed under this Act to the payment of bonds, notes or other obligations issued by the district.

SECTION 17. DEDICATION OF REVENUES. Requires the district to use 100 percent of all district revenues from the sales and use and hotel occupancy taxes authorized by this Act for certain purposes. Requires the district to contract with a nonprofit corporation created to aid and assist education in the area of the school district to provide such facilities, services and programs on its behalf on such terms and conditions as the board deems advisable. Authorizes projects or services implemented pursuant to this section for education purposes to be located inside or outside the boundaries of the district but requires them to be within the school district.

SECTION 18. BONDS AND NOTES. Authorizes the board to issue bonds, notes or other obligations in the manner provided by Chapter 383, Local Government Code, for any corporate purpose and to carry out the purpose of this Act. Authorizes the bonds, notes or other obligations of the district to be secured and made payable, wholly or partly, by a pledge of any part of the net proceeds the district receives from certain sources.

SECTION 19. AGREEMENTS: GENERAL; DONATIONS, INTERLOCAL AGREEMENTS, AND LAW ENFORCEMENT SERVICES. Authorizes the district to make an agreement with or accept a donation, grant, or loan from any person. Provides that the implementation of a project is a governmental function or service for the purposes of Chapter 791 (Interlocal Cooperation Contracts), Government Code. Provides that the district is a district for purposes of Chapter 43.0751 (Strategic Partnerships for Continuation of Certain Districts), Local Government Code, and authorizes the district to enter into a strategic partnership agreement with the municipality.

SECTION 20. ECONOMIC DEVELOPMENT PROGRAMS. Authorizes the board to establish and provide for the administration of certain programs.

SECTION 21. ANNEXATION AND EXCLUSION OF TERRITORY. Prohibits the district, notwithstanding any provision of law to the contrary, from annexing territory into the district.

SECTION 22. DISSOLUTION. Authorizes the district to be dissolved pursuant to Chapter 383, Local Government Code, or Chapter 375M (Dissolution), Local Government Code.

SECTION 23. EFFECTIVE DATE. (a) Provides that this Act takes effect on the date on which the City of Austin consents to the creation of the district under certain conditions.

(b) Provides that, if that date of consent occurs before the 91st day after the last day of the legislative session and this Act does not receive the vote necessary for effect on that consent date, this Act takes effect on the 91st day after the last day of the legislative session.