

## **BILL ANALYSIS**

Senate Research Center  
78R9126 AKH-D

H.B. 1770  
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Intergovernmental Relations  
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Engrossed

### **DIGEST AND PURPOSE**

Current Texas law authorizes local option elections in any county for the creation of public library districts funded by a local sales tax of up to one-half of one percent. H.B. 1770 includes in the definition of a municipal public library the condition that a library be accredited for membership in the state library system and addresses the taxation utilized when creating a library district.

### **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. Amends Subchapter E, Chapter 326, Local Government Code, by adding Section 326.097, as follows:

Sec. 326.097. EFFECT OF TAX ON CERTAIN OTHER TAXING UNITS. (a)  
Provides that this section applies only to a municipality that does not have a municipal public library.

(b) Provides that an election to adopt or increase the local sales and use tax under this subchapter is to be treated also as an election that will have the effect of reducing the tax rate of an industrial development district if certain conditions exist.

(c) Provides that if the voters approve the adoption or increase of the district tax under Subsection (b), the tax rate to which the development corporation's tax is reduced is the highest rate that will not result in a combined tax rate of more than two percent in any location in the proposed district.

(d) Provides that the rate of the tax imposed by the development corporation is increased without further action of the board or the voters of the development corporation or the district on the date on which the tax imposed under this subchapter is decreased or expires. Provides that the development corporation's tax rate increases only to the extent that any tax imposed by the development corporation was reduced under this section when the tax imposed by the district was adopted or increased.

(e) Provides that this section does not permit a taxing unit to impose taxes at different tax rates in the territory of the unit.

(f) Provides that for the purposes of holding an election under this chapter, a petition filed with the commissioners court of the county to create a library district under this chapter is effective and valid for subsequent filing purposes until the second anniversary of the date on which the petition was first filed.

SECTION 2. Amends Section 326.003(3), Local Government Code, to redefine "municipal public library."

SECTION 3. Amends Section 326.022(c), Local Government Code, to require the governing authority of a municipality, if the boundaries of the proposed district include any territory that on the date on which a petition is filed on the question of creating the district is part of a municipality that operates a municipal public library, then to consent by resolution to allow the inclusion of that municipal territory in the proposed district.

SECTION 4. Makes application of the changes in law made by Section 326.097(f), Local Government code, as added by this Act, prospective.

SECTION 5. Effective date: upon passage or September 1, 2003.