

SUBJECT: Allowing suburban communities to create library districts

COMMITTEE: State Affairs — favorable, with amendment

VOTE: 12 ayes — Wolens, S. Turner, Alvarado, Brimer, Carter, Craddick,
Danburg, Hilbert, Hunter, Longoria, McCall, Ramsay

0 nays

3 absent — Counts, D. Jones, Stiles

SENATE VOTE: On final passage, April 24 — 30-0

WITNESSES: None

DIGEST: SB 1674 would allow communities in counties with a population of more than 500,000 to create a library district funded by a retail sales and use tax of up to one-half of one percent. Creation of the district would have to be approved by a majority of voters in the district. A district could include any contiguous incorporated or unincorporated territory not in a city operating a public library. It could not include territory in more than one county.

Before a library district could be created, the commissioners court of the county in which the proposed district was located would have to receive a petition signed by at least five percent of the number of residents of the territory who voted in the most recent gubernatorial election. The petition would have to specify the proposed boundaries of the district, the rate of sales tax that would be imposed, and the names of five people who were willing and qualified to serve as the initial board of trustees.

The commissioners court would have to approve the petition if it met the requirements outlined in SB 1674.

The bill would specify procedures for holding the election and structuring the library administration. The library district would be overseen by an elected five-member board of trustees and would have authority to borrow money, construct facilities, purchase equipment, and carry out other duties to accomplish the purposes of the district.

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SB 1674 would take effect September 1, 1997.

**SUPPORTERS
SAY:**

SB 1674 would allow suburban communities to build or expand libraries by creating a library district, in much the same way as residents of fire districts, water districts, hospital districts, and other jurisdictions are allowed to tax themselves to meet special needs. The library district and the tax would have to be approved by a majority of voters in the proposed district, and would only be an option for communities that have not already reached the retail sales tax ceiling.

The bill would enable citizens of West Lake Hills, which borders Austin, to vote to create a library district to fund the expansion of the Westbank Library. More than 20 other states authorize the creation of library districts to provide this important community resource.

**OPPONENTS
SAY:**

Using retail sales taxes as a funding mechanism should be approached cautiously because local communities are limited to imposing a maximum of two percent in retail sales taxes for all purposes. Communities that use up to one half of one percent of these taxes to fund libraries would be curtailed in their ability to raise taxes to fund other needed efforts, such as transportation systems.

**OTHER
OPPONENTS
SAY:**

SB 1674 should not be limited to suburban communities. Rural communities may have an even greater need to fund a library district through a retail sales tax. These communities also should have the option of creating a library district if they wished to do so.

NOTES:

The committee amendment would limit creation of library districts to counties with a population of 500,000 or more and require that the petition to include the names of five percent of registered voters and that members of the board of trustees be residents of the library district.