

- SUBJECT:** Revising authority of multi-jurisdictional library districts
- COMMITTEE:** Local Government Ways and Means — favorable, without amendment
- VOTE:** 7 ayes — Hill, Creighton, Elkins, C. Howard, Puente, Quintanilla, Villarreal
0 nays
- SENATE VOTE:** On final passage, March 28 — 30-0, on Local and Uncontested Calendar
- WITNESSES:** For — Jean Brady, San Antonio Public Library Board of Trustees; Chris Shields, City of San Antonio; Stephen Whitworth, City of San Antonio
Against — None
- BACKGROUND:** Local Government Code, sec. 336.155. allows a multi-jurisdictional library district to contract with a municipality, county, or other political subdivision for the district to provide public library services outside the district. In addition, it allows a district to enter into agreements with any municipality in the district for the acquisition or operation of the municipality's library facilities.
- Local Government Code, sec. 336.024 requires the lead governmental entity to deposit with the county clerk all estimated funds needed before ordering a confirmation election for the library district.
- Local Government Code, sec. 336.025 requires the governing body of the lead governmental entity to:
- pre-determine if the district will be supported by a sales tax, an ad valorem tax, or both;
 - order a confirmation election for a tax to support the district;
 - host an election, within 45 days of ordering it, on an authorized uniform date in accordance with Election Code, ch. 41; and
 - create an election order that includes the ballot proposition, the polling hours, and the location of each polling place.
- Local Government Code, sec. 336.026. requires the lead governmental

entity to publish notice of the election, in a newspaper within the district, once a week for two consecutive weeks, within 30 days but not later than 10 days before the election.

Local Government Code, sec. 336.254 (c) requires the board of trustees of a library district to use the procedure for the confirmation and tax election in Local Government Code, ch. 336, subch. B.

DIGEST:

SB 940 would allow a library district to be created by a lead governmental entity for specific counties and municipalities, whether or not they were contiguous, that by resolution agreed to be included in the district.

The lead governmental entity would describe the initial district territory in the resolution creating the district, and the initial district territory would include all territory of each municipality or county that agreed by resolution to be in the district, except those municipalities that operated their own municipal public library and incorporated areas where the local sales and use tax already exceeded 1.5 percent.

A county or municipality would have to provide more than 50 percent of the initial assets to the district as soon as feasible and prudent.

The bill would authorize the board of trustees of a district to call an election to approve a sales tax and an ad valorem tax at the same election. Before calling the first such election, the lead governmental entity would have to set by resolution:

- the date of the election; and
- the type and rate of each tax that would appear on the ballot.

This bill would also specify language for the ballot in such an election.

The board would have to declare the new tax rate if voters were in favor of a tax to support a library district. If a tax measure were defeated, the board would have to declare the measure defeated and enter the result in its minutes. The same election procedures would be followed for an election that abolished or changed the ad valorem tax rate.

The bill would authorize a district and a political subdivision to enter into an agreement for any district purpose under Local Government Code, sec.

336.155, and also would allow the district to accept donations of library assets from any county or municipality within the district without providing compensation.

The board would be allowed to dissolve a district if the governing body of the lead governmental entity consented. At that time, the district would remain in existence until it paid any existing debt. After all debts were satisfied, the board would be required to transfer remaining assets to the lead governmental entity.

Local Government Code, sec. 336.024, sec. 336.025, sec. 336.026, and sec. 336.254, would be repealed.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2007.

**SUPPORTERS
SAY:**

SB 940 would provide more clarity and flexibility for communities that were eligible for inclusion in a library district. It would enable more counties to participate in a library district by allowing an individual community to be excluded from the district if it already had an operating public library district or if it faced too high a tax burden. Further, counties and municipalities would be welcome to join a library district whether or not they were contiguous to other areas in the district. This flexibility would be important for outlying, unincorporated areas that could benefit from pooling library resources.

The bill also would clarify the lead governmental entity's requirement to provide more than 50 percent of the district's initial assets. Currently, these assets must be contributed at the outset of the district's creation, even though voters may not ultimately approve a tax measure to support the district. At that time, the lead governmental entity would have to reclaim these resources, which creates additional costs and bureaucracy. This bill instead would allow the lead governmental entity to provide its resources once the district was well established.

SB 940 also would streamline the process for creating library districts. It would reduce taxpayer expenses for holding confirmation elections by allowing the lead governmental entity to create a district by resolution. In addition, election ballots could present both sales tax and ad valorem taxation measures to voters. In enacting these changes, this bill would

remove duplicative election rules and rely instead on the rules currently in the state Election Code.

This bill would enable a library district to be dissolved and further protect the lead governmental entity's interests by ensuring its approval of the dissolution and by transferring any remaining assets to the lead governmental entity at that time. This bill also would protect other communities in the district by allowing any district or political subdivision to enter into agreements for any district purpose. In this way, small counties or municipalities could ensure that donated assets, such as land, would return to them upon dissolution, rather than be ceded to the lead governmental entity.

**OPPONENTS
SAY:**

SB 940 would make lead governmental entities less accountable to the library districts they helped create. Library districts were created as a cost-savings measure for urban counties and municipalities. The bill would remove a concrete deadline for the lead governmental entity to provide its assets to the district. Lead governmental entities should not be allowed to push more of the burden for these services onto the small cities and counties that contribute to their economic development and would not otherwise be able to provide these services. Instead, this bill should create a specific date after a tax election by which the lead governmental entity would transfer assets to the district.

In addition, the bill inadvertently could discourage smaller communities from contributing assets to the library districts. The success of library districts depends on smaller communities joining and pooling their resources. This bill would allow the lead governmental entity to take all remaining assets if the district was dissolved, leaving smaller communities with none of their initial and contributed resources. Because of this risk, smaller communities could be discouraged from contributing assets for fear of losing them, and the lead governmental entity would be responsible for contributing more of the assets. To encourage outlying areas to take on more responsibility for providing library services to their citizens, the bill should share equitably any remaining assets upon dissolution.