

BILL ANALYSIS

Senate Research Center

H.B. 1723
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Business & Commerce
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Engrossed

DIGEST AND PURPOSE

Under current law, there are local workforce development boards (LWDBs) across the state to provide workforce development programs specific to the needs of each community. State block grants for employment, training, and child care are administered to the LWDBs by the Texas Workforce Commission. However, there is concern that more populated urban areas may be receiving greater attention and funding than their less populated rural counterparts. There is a potential need to create a more expansive, longterm solution for the adequate provision of workforce services to these rural communities. H.B. 1723 authorizes the commissioners court of a county with a population of 50,000 or less to establish a county employment development board for the purpose of supplementing existing workforce development programs being administered by the LWDBs.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to a county employment development board in SECTION 1 (Section 386.022, Local Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 12B, Local Government Code, by adding Chapter 386, as follows:

CHAPTER 386. COUNTY EMPLOYMENT DEVELOPMENT BOARD FOR RURAL COUNTIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 386.001. DEFINITIONS. Defines “board” and “rural county.”

Sec. 386.002. CREATION IN RURAL COUNTY. Authorizes the commissioners court of a rural county to establish a county employment development board (board).

[Reserves Sections 386.003-386.020 for expansion]

SUBCHAPTER B. COUNTY EMPLOYMENT DEVELOPMENT BOARD; POWERS AND DUTIES

Sec. 386.021. BOARD MEMBERSHIP. Sets forth the size and certain requirements of the board membership. Provides that a member of the board serves a two-year term expiring February 1 of each odd-numbered year. Authorizes the board to elect a member to serve as the presiding officer.

Sec. 386.022. BOARD POWERS AND DUTIES. Authorizes the board to take certain actions. Authorizes the board, to the extent the board determines necessary to administer its functions, to cooperate with certain entities. Authorizes the board to impose a fee for participation in a program and to administer any funds collected for a program under this

chapter. Provides that the fee authorized by this section is in addition to any tax authorized by this chapter. Authorizes the board to adopt rules to accomplish the goals of this chapter. Requires the board to contract with the county auditor to review the board's finances every fiscal year.

Sec. 386.023. OPEN MEETINGS AND OPEN RECORDS. Provides that Chapter 551 (Open Meetings) and 552 (Public Information), Government Code, apply to the board.

[Reserves Sections 386.024-386.040 for expansion]

SUBCHAPTER C. SALES AND USE TAX

Sec. 386.041. SALES AND USE TAX AUTHORIZED. Authorizes a county to impose a sales and use tax at the rate of one-eighth of one percent in the county for the benefit of a program under this chapter if a majority of the votes cast in an election held for that purpose favor the imposition of the tax. Prohibits a county from imposing a sales and use tax under this subchapter if the adoption of the tax under this subchapter would result in a combined tax rate of all local sales and use taxes of more than two percent in any location in the county.

Sec. 386.042. ELECTION. Authorizes the commissioners court to order an election to impose a sales and use tax under this subchapter. Requires the election to be held on the first uniform election date that occurs on or after the 45th day following the date the commissioners court orders the election. Requires the ballot, at an election to adopt the tax, to be printed to permit voting for or against the proposition and sets forth specific wording to be contained on the ballot. Provides that the tax is adopted if a majority of the votes received at the election favor the proposition.

Sec. 386.043. IMPOSITION OF TAX. Provides that Chapter 323 (County Sales and Use Tax Act), Tax Code, governs the imposition, computation, administration, collection, and remittance of a tax authorized under this chapter except as inconsistent with this chapter. Provides that Section 323.101(b), Tax Code, does not apply to a tax authorized by this chapter.

Sec. 386.044. IMPOSITION OF TAX. Sets forth the items and services on which the tax adopted under this subchapter and the related excise tax apply.

Sec. 386.045. USE OF REVENUE. Authorizes the revenue from a tax imposed under this subchapter to be used only to operate a program under this chapter in the county. Authorizes the board to award grants for program purposes to local businesses, school districts, or other entities with revenue from a tax imposed under this subchapter. Requires the board to contract with the grant recipient to ensure that the program purposes are promoted by the grant.

Sec. 386.046. ABOLITION OF TAX. Authorizes the commissioners court to abolish the tax in a certain manner. Requires the ballot, at an election to abolish the tax, to be prepared to permit voting for or against the proposition and sets forth specific wording to be contained on the ballot. Provides that the tax is abolished if a majority of the votes received at the election favor the proposition.

Sec. 386.047. EFFECTIVE DATE OF TAX. Sets forth the effective date of the adoption or abolition of a tax under this subchapter. Authorizes the effective date to be extended by the comptroller under certain conditions.

Sec. 386.048. SALES TAX NOT EXCLUSIVE. Provides that the sales and use tax authorized by this subchapter is in addition to any other tax or fee authorized by this chapter.

[Reserves Sections 386.049-386.060 for expansion]

SUBCHAPTER D. PROPERTY TAX

Sec. 386.061. **PROPERTY TAX AUTHORIZED.** Authorizes the commissioners court, for the benefit of a program under this chapter, to take certain actions.

Sec. 386.062. **USE OF PROPERTY TAX REVENUE.** Authorizes revenue from a tax imposed under this subchapter to be used only as provided by Section 386.045 for revenue collected under Subchapter C.

Sec. 386.063. **PROPERTY TAX NOT EXCLUSIVE.** Provides that the property tax authorized by this subchapter is in addition to any other tax or fee authorized by this subchapter.

SECTION 2. Amends Sections 4A(f) and (m), Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.) to authorize tax proceeds to be used to provide funding to a county employment development board created under Chapter 386 (County Employment Development Board for Rural Counties), Local Government Code, for any program purpose authorized by that chapter. Adds “job or career training” to the required wording to be contained on the ballot in an election to adopt the tax under this section.

SECTION 3. Amends Section 4B(g), Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.) to make a conforming change.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: upon passage or September 1, 2001.