

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1812
By: Armbrister
Intergovernmental Relations
5/2/2001
Committee Report (Substituted)

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. C.S.S.B. 1812 creates the Hays County Education District No. 2 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) No 2. Provides that the district is a governmental agency, a body politic and corporate, and a political subdivision of the state. Provides that the district is a unit of government for purposes of Chapter 101 (Tort Claims), Civil Practice and Remedies Code, and operations of the district are considered to be essential governmental functions and not proprietary functions for all purposes, including the application of the Texas Tort Claims Act. Provides that the creation of the district is essential to accomplish the purposes of Sections 52 (Counties, Cities, or other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds) and Section 52-a (Loan or Grant of Public Money for Economic Development), Article III, and Section 59 (Conservation and Development of Natural Resources: Conservation and Reclamation Districts), Article XVI, Texas Constitution, and the other public purposes stated in this Act. Provides that, despite its name, this district is not governed by Chapter 383 (County Development Districts) of the Local Government Code.

SECTION 2. DEFINITIONS. Defines “board,” “county,” “district,” “municipality,” and “foundation.”

SECTION 3. BOUNDARIES. Sets forth the boundaries of the district.

SECTION 4. FINDINGS RELATING TO BOUNDARIES. Provides findings relating to boundaries.

SECTION 5. BOARD OF DIRECTORS IN GENERAL. Sets forth guidelines regarding the board of directors, officers, and employees of the district.

SECTION 6. APPOINTMENT OF DIRECTORS. Sets forth guidelines regarding the composition of the board, board positions, and vacancies on the board. Provides that a board member serves on the board as additional duty of the office held on the appointing governing body.

SECTION 7. CONFLICTS OF INTEREST. Provides that Chapter 171 (Regulation of Conflicts of Interest of Officers of Municipalities, Counties, and Certain Other Local Governments), Local Government Code, governs conflicts of interest for board members.

SECTION 8. LIMITED SALES AND USE TAX. (a) Authorizes the board by order or resolution to impose a sales and use tax for benefit of the district in an amount not to exceed two percent. Provides that no election is necessary for imposition of the tax authorized by this section.

(b) Authorizes the board to increase, repeal, or decrease 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 9. USE OF HOTEL OCCUPANCY TAX PROCEEDS. Authorizes sales and use taxes collected under this Act to be used only as provided in this Act.

SECTION 10. HOTEL OCCUPANCY TAX. Defines “hotel.” Sets forth guidelines regarding the district imposing a hotel occupancy tax.

SECTION 11. USE OF HOTEL OCCUPANCY TAX PROCEEDS. Requires the district to apply the proceeds from a hotel occupancy tax imposed under this Act as provided by this Act and Section 352.1015 (County Hotel Occupancy Taxes), Tax Code, to further public education in the county.

SECTION 12. ALLOCATION OF REVENUES. Sets forth guidelines regarding the allocation of district tax revenues

SECTION 13. LIMITATION ON POWERS OF DISTRICT. Provides that the district has no powers or duties not expressly provided by this Act and prohibits any from being implied.

SECTION 14. ADMINISTRATIVE SERVICES. Authorizes the county, the municipality, and the Hays Consolidated Independent School District to provide administrative services to the district and to permit the board to use meeting facilities without charge.

SECTION 15. DISSOLUTION. Authorizes the board by resolution or order to dissolve the district. Authorizes the district to also be dissolved in the same manner as a district created under Chapter 383, Local Government Code. Provides that, if the district is abolished, the taxes levied by the district are repealed.

SECTION 16. Provides legislative findings.

SECTION 17. INITIAL BOARD. Sets forth guidelines regarding the initial board of directors.

SECTION 18. LEGISLATIVE INTENT. Sets forth legislative intent.

SECTION 19. NONSEVERABILITY. Provides that the legislature intends this Act to be applied in its entirety and would not have enacted any provision of this Act without each and every other provision. Provides that the provisions of this Act are not severable, and if any provision of this Act is held invalid, the entire Act is invalid.

SECTION 20. EFFECTIVE DATE. Provides that this Act takes effect on the date on which the municipality consents to the creation of the district under certain conditions.

SUMMARY OF COMMITTEE CHANGES

Amends As Filed S.B. 1812 as follows:

Omits original SECTIONS 1 - 3.

Adds new SECTIONS 1 - 2.

Redesignates original SECTION 4 as SECTION 3. No changes in text.

Redesignates original SECTION 5 as SECTION 4. Omits text regarding the right to issue bonds.

Omits original SECTIONS 6 - 23. Adds new SECTIONS 5 - 20.