

BILL ANALYSIS

Senate Research Center
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S.B. 940
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law created by the 79th Legislature expanded the means by which local communities could create library districts. Municipalities and/or contiguous counties were authorized to create multi-jurisdictional library districts funded by local sales and use taxes and/or ad valorem taxes. However, some of the provisions in the current statute need to be clarified.

As proposed, S.B. 940 clarifies how library districts may be created, which areas can join the district, how elections will be held to impose a tax, and the terms of dissolution of 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 the heading to Subchapter B, Chapter 336, Local Government Code, to read as follows:

SUBCHAPTER B. CREATION OF DISTRICT; ELECTIONS

SECTION 2. Amends Section 336.021, Local Government Code, as follows:

Sec. 336.021. New heading: LEAD GOVERNMENTAL ENTITY; PARTICIPATION BY OTHER COUNTIES AND MUNICIPALITIES. (a) Authorizes a multi-jurisdictional library district (district) to be created by a lead governmental entity that proposes the creation of a district for specific counties and municipalities that by resolution agree to have their territory in the district. Deletes existing text authorizing a district to be created by a county or municipality that assumes the role of a lead governmental entity under this chapter and proposes the creation of a district for specific contiguous counties and municipalities that by resolution agree to have their territory in the district.

(b) Deletes existing text authorizing the governing body of a county or municipality to adopt a resolution under Subsection (a) after a hearing held on a petition requesting the creation of a district.

(c) Requires the lead governmental entity to provide over 50 percent of the initial assets to the district as soon as feasible and prudent.

SECTION 3. Amends Section 336.022, Local Government Code, as follows:

Sec. 336.022. TERRITORY INCLUDED IN DISTRICT. (a) Requires the lead governmental entity to describe the initial district territory in the resolution creating the district. Requires the initial district territory to include all territory of each municipality or county that agrees to have its territory in the district, except as provided by Subsections (c) and (d).

(b) Makes conforming changes.

(c) Deletes existing text requiring the governing body of that municipality to consent by resolution to allow the inclusion of that municipal territory in the proposed district on the date on which an election is ordered on the question of creating the district under certain circumstances. Provides that this subsection applies only to a municipality whose municipal public library meets certain criteria.

(d) Provides that the district includes all incorporated and unincorporated areas of a county that agrees by resolution to have its territory in the district under Section 321.021 (Composition; Term; Qualification). Authorizes the county in its resolution, to exclude any incorporated area of the county, where the local sales and use tax exceeds one and one-half percent.

SECTION 4. Amends Section 336.023, Local Government Code, as follows:

Sec. 336.023. New heading: ELECTION. (a) Creates this subsection from existing text. Authorizes a district to call an election to approve certain taxes. Makes nonsubstantive changes.

(b) Authorizes a sales tax and an ad valorem tax to be approved at the same election.

(c) Requires the lead governmental entity to set the date of the election by resolution, and the type and rate of each tax that will appear on the ballot proposition by resolution before a district may call the first election under this section.

SECTION 5. Amends Section 336.027, Local Government Code, as follows:

Sec. 336.027. BALLOT PROPOSITION. (a) Sets forth the composition of an election ballot if the board of trustees of the district (board) calls an election to approve a sales tax. Deletes existing text relating to the composition of an election ballot if the governing body of the lead governmental entity determines that the district should be supported by a sales tax.

(b) Sets forth the composition of an election ballot if the board calls an election to approve an ad valorem tax. Deletes existing text relating to the composition of an election ballot if the governing body of the lead governmental entity determines that the district should be supported by an ad valorem tax.

SECTION 6. Amends Section 336.028, Local Government Code, as follows:

Sec. 336.028. New heading: RESULTS OF ELECTION. (a) Deletes existing text relating to the voting of the creation of a district. Makes conforming changes.

(b) Requires the board to declare the measure defeated and enter the result in its minutes if a majority of the voters voting in the election are not in favor of a tax under Subsection (a), rather than against the creation of the district. Makes conforming changes.

(c) Makes conforming changes.

SECTION 7. Amends Section 336.155, Local Government Code, by adding Subsection (c), to authorize a district and a political subdivision to enter into an agreement for any district purpose.

SECTION 8. Amends Subchapter E, Chapter 336, Local Government Code, by adding Section 336.160, as follows:

Sec. 336.160. DONATION OF LIBRARY ASSETS BY COUNTY OR MUNICIPALITY. Authorizes a county or municipality, including the lead governmental

entity, that creates or joins the district to donate library assets to the district without compensation from the district.

SECTION 9. Amends Section 336.254(a), Local Government Code, to require the board to use the procedures for a tax election under Subchapter B in an election under this subsection and except as provided by Subsection (b).

SECTION 10. Amends Section 336.351, Local Government Code, as follows:

Sec. 336.351. New heading: PROCEDURE FOR DISSOLUTION. (a) Authorizes the board by resolution to dissolve a district if the governing body of the lead governmental entity by resolution consents to the dissolution.

(b) Requires the district to remain in existence for the sole purpose of paying its debt and transferring any remaining assets, if the district has debt. Requires the board to transfer to the lead governmental entity any assets that remain after satisfaction of all debt.

(c) Provides that the district is dissolved after the debt is paid and the assets are transferred. Deletes existing text prohibiting the dissolution of the district.

SECTION 11. Repealer: Section 336.024 (Payment of Confirmation Election Costs), Local Government Code; Section 336.025 (Ordering Confirmation Election), Local Government Code; Section 336.026 (Notice of Confirmation Election), Local Government Code; and Section 336.254(c) (procedure for calling and holding election), Local Government Code.

SECTION 12. Effective date: upon passage or September 1, 2007.