

Library District Sales Tax

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Many Texans in rural and suburban areas do not have convenient access to a public library. The creation of library districts in these underserved areas would enable students and other residents access to valuable information resources.

Library Districts may be created either by a county or multiple-jurisdictions including a combination of cities and counties. The operation of the library districts can be funded by the adoption of a local sales tax. [Refer to Chapters 326 and 336, Local Government Code]

How does a county create a Library District?

A county is eligible to create a library district only if the creation is confirmed and the local sales tax is approved by a majority of the qualified voters in an appropriate election. A library district (“district”) may include any contiguous territory within a single county. [Refer to Secs. 326.021-22, Local Government Code]

How are multi-jurisdictional Library Districts created?

A multi-jurisdiction library district may be established by a lead governmental entity by resolution, proposing the creation of a district for specific counties and municipalities. The lead government entity is either a county or a municipality. [Refer to Secs. 336.001 and 336.021, Local Government Code]

The lead governmental entity must describe the initial territory in the resolution creating the multi-jurisdictional territory. It must include all territory of each municipality or county that agrees to have its territory in the district. [Refer to Sec. 336.022, Local Government Code]

How does a county call for an election to create a library district and impose sales tax?

The commissioners court must receive a petition signed by at least 5 percent of the number of voters in the proposed district who voted in the most recent gubernatorial election.

The petition must include:

- a name for the proposed district that describes the district’s location followed by the words “Library District”;

- a description of the proposed district’s boundaries;
- the names of the five persons who are willing and qualified to serve as the district’s initial board of trustees; and
- the sales tax rate that would go into effect upon voter approval of the district.

The commissioners court must order an election if the petition is in proper form and the petitioners have deposited the cost of the election with the county clerk.

In addition to the elements required by the Election Code, the election order must state:

- the measure that will be presented to the voters;
- the hours during which the polls will be open; and
- the location of each polling place.

The commissioners court must give notice of the election by publishing a substantial copy of the election order once per week for two consecutive weeks in a newspaper with general circulation in the county in which the proposed district is located. The notice must be published no earlier than the 30th day or later than the 10th day before Election Day. Besides the elements required by the Election Code, the notice of the election also must include the names of the five candidates who will serve on the original board of trustees.





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The county must order the election not later than the 62nd day before election day, except that for an election to be held on the date of the general election for state and county officers, the election must be ordered not later than the 70th day before election day.

The uniform election dates are:

- the second Saturday in May; or
- the first Tuesday after the first Monday in November.

After a library district is created, it can be expanded if the county commissioners court calls and holds an election for that purpose in the territory to be added to the district. A majority of voters in the territory to be added must approve the expansion. [Refer to Secs. 326.022- 27, Local Government Code and Secs. 3.005 and 41.001(a), Election Code]

How does a multi-jurisdictional Library District adopt a sales tax or expand its territory?

For a multi-jurisdictional library district, the board may call an election to approve either a sales tax, an ad valorem tax on property in the district, or both. Before a district may call an election, the lead governmental entity by resolution must set the date of the election and the type and rate of each tax appearing on the ballot proposition. The permissible rates for the district sales tax are one-eighth, one-fourth, three-eighths, or one-half of one percent. [Refer to Secs. 336.023 and 336.253, Local Government Code]

The multi-jurisdictional district may expand to include additional territory if the commissioners court of the

county in which the district is located holds an election. If a majority of voters vote in favor of the expansion, the territory of the district is expanded. [Refer to Sec. 336.159, Local Government Code]

How are single-entity Library Districts governed?

Single-entity Library Districts created by counties are governed by an elected board of five trustees. The board may hire any person, firm, partnership or corporation the board considers necessary for conducting the district's affairs. [Refer to Secs. 326.041 and 326.049, Local Government Code]

The board also may adopt bylaws to govern the district. [Refer to Sec. 326.047, Local Government Code]

If voters approve the library district, the five persons who received the highest number of votes are elected as initial trustees. The two initial elected trustees who received the fewest votes serve for one year and the remaining three serve for two years. [Refer to Sec. 326.030, Local Government Code]

After the initial election, the district must hold subsequent trustee elections annually. Trustees serve for two years. Except for the initial members of the board of trustees, candidates for trustee must file for the position in accordance with the Election Code. [Refer to Sec. 326.043, Local Government Code]

A board member must be a resident of the district and a registered voter of the county in which the district is located. [Refer to Sec. 326.042, Local Government Code]

Ballot Language for Library District Elections

- **Election to Create a Library District** [Refer to Secs. 326.028 and 326.093, Local Government Code]

The ballot must allow voters the choice of voting for or against the following proposition:

“The creation of the _____ (name of the district) and adoption of a local sales and use tax in the (name of the district) at the rate of _____ (rate) percent to provide revenue for the district.” (Insert one-eighth, one-fourth, three-eighths, or one-half of one percent as appropriate for the proposed tax rate.)

The ballot must be printed to permit voting for or against each of the five trustees listed in the petition submitted to the commissioners court under Section 326.023, Local Government Code. The ballot must include a blank space after the name of each candidate so that voters also may write in the names of other persons for trustees. A voter may not vote for more than five persons for trustee.

- **Election to Change the Tax Rate**

The ballot must allow voters the choice of voting for or against the following proposition:

“The increase (decrease) in the local sales and use tax rate of (name of the district) to (percentage) to be used for the purposes of the district.”

- **Election to Abolish the Tax** [Refer to Sec. 326.094, Local Government Code]

The ballot must allow voters the choice of voting for or against the following proposition:

“The abolition of the district sales and use tax.”

- **Election for a Multi-jurisdictional Library District to Approve a Sales Tax** [Refer to Sec. 336.027, Local Government Code]

The ballot must permit voters the choice of voting for or against the following proposition:

“The adoption of a sales tax in the _____ (name of the district) at a rate up to _____ (rate of tax) percent to be used for district purposes.”



How are multi-jurisdictional Library Districts governed?

A multi-jurisdictional library district is governed by a seven member board of trustees that controls and manages the affairs of the district. The lead governmental entity appoints four members to the board. The most populous county in which the district is located shall appoint three trustees to the board, unless the county is the lead governmental entity. If the county is the lead governmental entity, the most populous municipality in the county shall appoint three trustees. Persons eligible for appointment include a person who:

- resides in the district;
- is registered to vote in a county in which the district is located; and
- has recognized expertise in library services, education, information technology, local or Texas history, or business management.

[Refer to Secs. 336.051-336.053, Local Government Code]

The initial board of trustees provide for staggering of terms, with four members' terms expiring in two years and three members' terms expiring in one year. The lead governmental entity appoints an initial presiding officer to serve a two-year term. After the initial board of trustees, members serve staggered two-year terms. [Refer to Secs. 336.029 and 336.054, Local Government Code]

The board may adopt bylaws to govern the district and hire any person the board considers necessary for conducting the district's affairs. [Refer to Secs. 336.101-336.102, Local Government]

Elections Procedures

Districts Created by a County

A district created by a county may levy a sales tax to fund the district if authorized by a majority of the qualified voters in the creation election and if the total combined rate of all local sales and use taxes would not exceed two percent at any location within the district. The permissible rates for the district sales tax are one-eighth, one-fourth, three-eighths or one-half of one percent. [Refer to Secs. 326.093 and 326.096, Local Government Code]

If a majority of voters approve the district and adopt the sales tax, the commissioners court must declare that the district is created and the rate of the local sales and use tax adopted and enter the result in its minutes.

The order canvassing the election results must contain a description of the district's boundaries and a map of the district. The commissioners court also must file the order in the county's deed records.

The order canvassing the election results should also include:

- the date of the election;
- the proposition on which the vote was held;

- the total number of votes cast for and against the ballot proposition; and
- the number of votes by which the proposition was approved. [Refer to Sec. 326.029, Local Government Code and Sec. 323.405, Tax Code]

If a majority of votes received are against the creation of the district, the commissioners court must declare the measure defeated and enter the results in its minutes. [Refer to Sec. 326.029, Local Government Code]

The board by order may decrease or abolish the sales tax rate. The board may also call an election to increase, decrease or abolish the sales tax rate, with the increase or decrease becoming effective if approved by a majority of the district's voters. [Refer to Sec. 326.094, Local Government Code]

Multi-jurisdictional Districts

If a local sales tax in a multi-jurisdictional library district is approved by a majority of the qualified voters in an appropriate election, the board must by resolution declare the rate of sales tax and enter the result in its minutes. The order canvassing the election results must:

- contain a description of district's boundaries and a map of the district;
- state the election date; and
- state the total number of votes cast for and against the ballot proposition.

The board must file the order in the county's deed records.

If a majority of votes received are against the adoption of the sales tax, the board must declare the measure defeated and enter the results in its minutes. [Refer to Sec. 336.028, Local Government Code]

The board of the multi-jurisdictional library district by resolution may dissolve a district if the governing body of the lead governmental entity by resolution consents to the dissolution. [Refer to Sec. 336.351, Local Government Code]

Notifying the Comptroller

If election results change the tax rate or type of sales tax imposed, the county judge or the presiding officer of a multi-jurisdictional library district should send a certified copy of the order or the resolution, via U.S. certified or registered mail, to:

The Texas Comptroller of Public Accounts
Revenue Accounting Division, Tax Allocation Section
111 E. 17th Street
Austin, Texas, 78774-0100.

The tax becomes effective after one complete calendar quarter elapses from the date the Comptroller's office receives notification of voter approval. [Refer to Sec. 336.252, Local Government Code and Sec. 323.102, Election Code]

Library District Sales Tax

How can the tax revenues be used?

A single-entity district has all of the powers, authority, rights and duties necessary for the accomplishment of its purposes. These powers include the right to hire a library director and other staff, to borrow money and to purchase, construct, acquire, own, operate, maintain, repair or improve any land, works, materials, supplies, improvements, facilities, equipment, vehicles, machinery or appliances necessary for the district. [Refer to Secs. 326.050 and 326.061, Local Government Code]

A multi-jurisdictional district has all the authority necessary to accomplish district purposes. The district may hire an executive director and staff or contract with any person. The district also may contract with a municipality, county or other political subdivision for the district to provide public library services outside the district. The district has authority to construct, acquire, own, lease, operate, maintain, repair, or improve any land, works, materials, supplies, improvements, facilities, equipment, vehicles, machinery, appliances, or other property as necessary. [Refer to Secs. 336.102-336.103, 336.151, and 336.154-336.156, Local Government Code]

A single entity district and a multi-jurisdictional district must use the tax revenues to establish, equip and maintain

one or more public libraries for the dissemination of general information relating to the arts, sciences and literature. [Refer to Secs. 326.002, 326.095 and 336.003, Local Government Code]

A library district may invest its tax revenue in authorized investments. In addition, library districts have the authority to purchase, acquire, own, maintain or improve the facilities and equipment. The district may also pledge sales and use taxes as collateral for borrowing money to further a library district's purposes. [Refer to Secs. 326.061, 326.067 and 326.095, Local Government Code]

A multi-jurisdictional district may issue bonds for any amount it considers necessary or appropriate to acquire, construct, equip, or improve district facilities. A district may not issue bonds unless the lead governmental entity's governing body by resolution consents to the issuance. [Secs. 336.302-336.303, Local Government Code]

Need more information?

For more information about the library district sales tax, call the Comptroller's Local Government Assistance Division toll-free at (800) 531-5441, ext. 3-4679.

We're Here To Help! *Call Toll-Free!*

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(800) 252-5555

911 Emergency Service/Equalization Surcharge
Automotive Oil Fee
Battery Fee
Boat and Boat Motor Sales Tax
Customs Broker
Fireworks Tax
Mixed Beverage Tax
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Oyster Fee
Sales and Use Taxes
Telecommunications Infrastructure Fund

(800) 531-5441

Cement Tax
Inheritance Tax
Local Revenue
Miscellaneous Gross Receipts Taxes
Oil Well Servicing Tax
Sulphur Tax

(800) 531-5441, ext. 3-3630

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Franchise Tax

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Spanish

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Motor Vehicle Sales Surcharge,
Rental and Seller Financed Sales Tax
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Fuels Tax
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Petroleum Products Delivery Fee
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Interest Rate

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