

# LIBRARY DISTRICT SALES TAX



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Texas Comptroller of  
Public Accounts

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 provide residents with access to valuable information resources.

Library districts may be created either by a single county or multiple government jurisdictions including a combination of cities and counties. Library district operations can be funded by the adoption of a local sales tax.

[Refer to **Local Government Code Chapters 326** and **336**.]

## 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 qualified voters in an appropriate election. A library district (“district”) may include any contiguous territory within a single county.

[Refer to **Local Government Code Secs. 326.021-326.022**.]

## HOW ARE MULTI-JURISDICTIONAL LIBRARY DISTRICTS CREATED?

A multi-jurisdictional library district may be established by a lead governmental entity through a resolution proposing the creation of the district for specific counties and municipalities. The lead governmental entity must be either a county or municipality.

[Refer to **Local Government Code Secs. 336.001** and **336.021**.]

In the resolution, the lead governmental entity must describe the initial territory creating the multi-jurisdictional district. It must include all the



territory of each municipality or county that agrees to participate in the district.

[Refer to **Local Government Code Sec. 336.022**.]

## 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 its location followed by the words “Library District;”
- a description of the proposed district’s boundaries;
- the names of five persons willing and qualified to serve on the district’s initial board of trustees; and
- the sales tax rate that would take effect upon voter approval of the district.

A **library district** may encompass an entire county or exist within part of a county. A district’s territory may also span more than one county and include multiple municipalities.

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Library district tax revenues may be used to accomplish any of the district's purposes including funding construction, facilities, operations, salaries, equipment or debt service to maintain one or more libraries.

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

[Refer to **Local Government Code Sec. 336.023.**]

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

- the proposal to 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 election notice also must include the names of the five candidates who will serve on the initial board of trustees.

For guidance on the timing of elections, please contact the Secretary of State's office at 512-463-5650 or toll free at 800-252-8683. Additional information is available on the **Secretary of State's website**.

The election must be held on one of the two uniform election dates:

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

After a library district is created, it may 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 **Local Government Code Secs. 326.022-326.027** and **Election Code Secs. 3.005** and **41.001(a).**]

## HOW DOES A MULTI-JURISDICTIONAL LIBRARY DISTRICT ADOPT A SALES TAX OR EXPAND ITS TERRITORY?

**F**or a multi-jurisdictional library district, the board may call an election to approve either a sales tax, an ad valorem tax on property located within the

district, or both. Before a district may call an election, the lead governmental entity by resolution must determine 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 0.125, 0.25, 0.375 or 0.5 percent.

[Refer to **Local Government Code Secs. 336.023** and **336.253.**]

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 district's territory is expanded.

[Refer to **Local Government Code Sec. 336.159.**]

## HOW ARE SINGLE-ENTITY LIBRARY DISTRICTS GOVERNED?

**A**n elected board of five trustees governs single-entity library districts created by counties. The board may hire any person, firm, partnership or corporation the board considers necessary for conducting the district's affairs.

[Refer to **Local Government Code Secs. 326.041** and **326.049.**]

The board also may adopt bylaws with which to govern the district.

[Refer to **Local Government Code Sec. 326.047.**]

If voters approve the creation of a library district, the five persons who receive the highest number of votes are elected as initial trustees. The two elected



trustees of this inaugural board who received the fewest votes serve for one year, and the remaining three serve for two years.

[Refer to **Local Government Code Sec. 326.030.**]

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, trustee candidates must file for the position in accordance with the Election Code.

[Refer to **Local Government Code Sec. 326.043.**]

A board member must be a resident of the district and registered to vote in the county in which the district is located.

[Refer to **Local Government Code Sec. 326.042.**]

## 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 those who:

- reside in the district;
- are registered to vote in a county in which the district is located; and

A **library district's board** may vote to abolish or decrease its sales tax or call an election to seek an increase in the tax rate.

## BALLOT LANGUAGE FOR LIBRARY DISTRICT ELECTIONS

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

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 1 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 **Local Government Code Sec. 326.023.** 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** [Refer to **Local Government Code Sec. 326.094.**]

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 **Local Government Code Sec. 326.094.**]

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 **Local Government Code Secs. 336.027** and **336.253.**] (Insert one-eighth, one-fourth, three-eighths or one-half of 1 percent as appropriate for the proposed tax rate.)

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."

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- have recognized expertise in library services, education, information technology, local or Texas history or business management.

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

Members of the initial board of trustees serve staggered 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 trustees have completed their terms, members serve staggered two-year terms. Trustees may not serve more than two consecutive terms or more than four terms in total. Trustees who have served two consecutive terms are ineligible for appointment to a new term until they have been off the board for at least one year. [Refer to **Local Government Code Secs. 336.029 and 336.054.**]

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 **Local Government Code Secs. 336.101-336.102.**]

## ELECTION PROCEDURES

### DISTRICTS CREATED BY A COUNTY

**A** library district may levy a sales tax to fund the district if authorized by a majority of the qualified voters in the confirmation election, and if the total combined rate of all local sales and use taxes would not exceed 2 percent at any location within the district. The permissible rates for the district sales tax are 0.125, 0.25, 0.375 or 0.5 percent.

[Refer to **Local Government Code Secs. 326.021, 326.093 and 326.096.**]

If a majority of voters approve the district and adopt the sales tax, the commissioners court must declare the district is created and the local sales and use tax rate adopted, and enter the results 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 **Local Government Code Sec. 326.029,** and **Tax Code Sec. 323.405.**]

If a majority of votes cast oppose the creation of the district, the commissioners court must declare the measure defeated and enter the results in its minutes.

[Refer to **Local Government Code Sec. 326.029.**]

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 **Local Government Code Sec. 326.094.**]

### MULTI-JURISDICTIONAL DISTRICTS

**I**f 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 must:

- contain a description of the 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 petition for a proposed library district **must include** the proposed boundaries.

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

If a majority of the votes cast oppose the adoption of the sales tax, the board must declare the measure defeated and enter the results in its minutes.

[Refer to **Local Government Code Sec. 336.028.**]

The board of a multi-jurisdictional library district by resolution may dissolve the district if the governing body of the lead governmental entity by resolution consents to the dissolution.

[Refer to **Local Government Code Sec. 336.351.**]

## 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 mail a certified copy of the order or the resolution (either by certified or registered U.S. mail) to:

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

The tax takes effect after one complete calendar quarter elapses from the date the Comptroller's office receives notification of voter approval.

[Refer to **Local Government Code Sec. 326.029,** and **Tax Code Sec. 323.102.**]

## HOW CAN THE TAX REVENUES BE USED?

A single-entity district has all of the powers, authority, rights and duties necessary to accomplish 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 operation of the district.

[Refer to **Local Government Code Secs. 326.050** and **326.061.**]

A multi-jurisdictional district has all the authority necessary to accomplish its 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 **Local Government Code Secs. 336.102-336.103, 336.151** and **336.154-336.156.**]

A single-entity district and a multi-jurisdictional district must use the tax revenues they collect 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 **Local Government Code Secs. 323.051, 326.095** and **336.003.**]

A library district may invest its tax revenue in authorized investments. In addition, it has the authority to purchase, acquire, own, maintain or improve its facilities and equipment. The district may also pledge sales and use taxes as collateral for borrowing money to further the district's purposes.

[Refer to **Local Government Code Secs. 326.061, 326.067** and **326.095.**]

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 consents by resolution to the issuance.

[Refer to **Local Government Code Secs. 336.302-336.303.**]

## NEED MORE INFORMATION?

For more information about the library district sales tax, call the Comptroller's Data Analysis and Transparency Division toll free at 844-519-5672.



A **library district tax** is effective one complete calendar quarter after the Comptroller's office receives notification of voter approval.

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