

**CITY OF SAN ANTONIO**  
**EXTERNAL RELATIONS DEPARTMENT**  
**CITY COUNCIL AGENDA MEMORANDUM**

AGENDA ITEM NO. 26

**TO:** Mayor and City Council

**FROM:** Christopher J. Brady, Assistant City Manager

**SUBJECT:** Addendum to the State Legislative Program for the 79<sup>th</sup> Legislature

**DATE:** April 7, 2005

**SUMMARY AND RECOMMENDATION**

An ordinance approving an addendum relating to the creation of an urban library district to the City's State Legislative Program for the 79<sup>th</sup> Legislative Session that was adopted by Ordinance No. 99966, passed and approved on November 4, 2004.

Staff recommends approval.

**BACKGROUND INFORMATION**

Prior to the convening of each regular session of the Texas Legislature, the City of San Antonio identifies legislative priorities that it believes should be addressed by state lawmakers. The City's legislative program is organized into two distinct issue categories: initiatives and endorsements. With an *initiative*, the City will actively seek introduction and passage of an issue that meets one of the following three criteria: (1) addresses an issue that is San Antonio-specific, (2) addresses an issue where San Antonio is disproportionately affected, or (3) addresses an issue that is universal in effect, but to ensure success, San Antonio must take primary responsibility in seeking its adoption. With an *endorsement*, however, the City does not play a primary advocacy role, but will work collectively with other affected parties by communicating its support for issues in this category.

The proposed initiative amends the Local Government Code by allowing a municipality to create an urban library district. Texas law currently provides for the establishment of library districts in order to facilitate the creation and financing of public libraries in rural and suburban areas of the state. The current library district statute found in Chapter 326 of the Local Government Code places the responsibility of executing the steps necessary for the creation or expansion of such a district with the county commissioners. It does not provide the mechanism, structure or financing options necessary to enable a large, existing municipal library system to transition to a more regional, more broadly funded structure that can serve the needs currently facing the San Antonio metropolitan area. As a result, the City will pursue legislation that will create options for the City of San Antonio, Bexar County and other municipalities in the county to participate in the creation of a library district that will build upon the existing assets and funding that are already in place.

## **POLICY ANALYSIS**

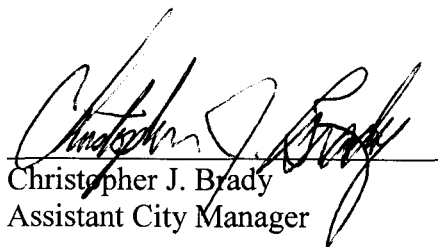
The ordinance is consistent with current City policy to advocate and actively pursue legislation that is in the best interest of San Antonio and the surrounding area. The City Council was briefed on the possible creation of an urban library district on January 20, 2005 during a "B" Session. Staff was directed to research this issue in more detail and to brief the City Council Intergovernmental Relations Committee. The Intergovernmental Relations Committee, which is chaired by Julian Castro, and includes Councilmembers Enrique Barrera, Christopher "Chip" Haass, Carroll Schubert, and Joel Williams, considered this item during their meeting on March 24, 2005. The committee provided favorable review and directed staff to bring this item before the entire City Council.

## **FINANCIAL IMPACT**

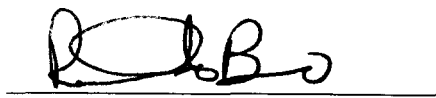
The financial impact of this item is being reviewed by the Finance Department and Office of Management and Budget, and has yet to be determined. For this reason, a variety of funding options are incorporated in the proposed initiative, including the imposition of ad valorem taxes and sales taxes. In addition, the proposed legislation would allow municipalities to transfer all or a part of its public library assets to the new district.

## **COORDINATION**

This item has been coordinated with the Finance Department, Office of Management and Budget and City Attorney's Office.



Christopher J. Brady  
Assistant City Manager



J. Rolando Bono  
Interim City Manager

## ***Urban Library District***

### **Proposal:**

To amend the Local Government Code by allowing a home-rule municipality the authority to create an urban library district.

### **Background:**

Texas law currently provides for the establishment of library districts in order to facilitate the creation and financing of public libraries in rural and suburban areas of the state. The current statute places the responsibility of executing the steps necessary for the creation or expansion of such a district with the county commissioners. The current statute also provides for a five person elected board of trustees, and permits the use of a local sales tax to finance the construction, operation and maintenance of library facilities.

Large municipal public library systems such as the one operated by the City of San Antonio face significant challenges in adequately serving the public's needs. Currently, the City of San Antonio and its taxpayers bear about 90% of the cost of operating and maintaining its public library system. The City also bears the cost of new facilities as it seeks to meet ever-growing demands on the system.

In a few instances, other municipalities in Bexar County have sought to improve accessibility to services by developing their own library facilities, but for the most part the San Antonio public library system is called upon to serve the needs of the entire Bexar County region. New legislation is needed to provide the statutory authority necessary to enable the development of a library system that can better serve the needs of the entire county, distribute the costs of such a system more equitably and provide adequate funding for the system.

The current library district statute found in Chapter 326 of the Local Government Code does not provide the mechanism, structure or financing options necessary to enable a large, existing municipal library system to transition to a more regional, more broadly funded structure that can serve the needs currently facing Bexar County. As a result, we are proposing legislation that will create options for the City of San Antonio, Bexar County and other municipalities in the county to participate in the creation of a library district that will build upon the existing assets and funding that are already in place.

The key provisions of the proposed bill are set forth below:

1. Create a new chapter 326A in the Local Government Code relating to the creation of Urban Library Districts.

2. A municipality with a population of greater than 1.1 million would be eligible to create a district by resolution of the city council. The original geographic area of the district would be identical to that of the creating municipality.
3. The municipality may transfer all or a part of its public library assets to the new district. The new district would be responsible for operating and maintaining the public library system. The district would be a political subdivision of the state. The district would be funded from contributions from its creating city, ad valorem taxes, sales taxes, fees, and gifts, or some combination of the foregoing.
4. The imposition of ad valorem taxes would be subject to an authorizing election of the voters within the district. The election would authorize the imposition of an ad valorem tax not to exceed 15 cents per \$100 valuation to support the library district. The rate of the tax would be set by the Library District Board of Trustees, with the initial rate determined and published prior to the election authorizing the ad valorem tax.
5. The imposition of sales taxes would also be subject to an authorizing election of the voters within the district. The sales tax could be either 1/8 or 1/4 of one cent. The rate of the tax could not be changed without a subsequent vote within the district.
6. The current employees of the public library system would be transferred to become employees of the new district, and would remain within similar retirement and other benefit programs.
7. Counties and other municipalities within the county can become a part of the urban library district by resolution adopted by their governing boards. Such resolutions would specify the geographic areas to be included in the district, and would authorize the election to approve an ad valorem or sales tax to support the district. Consent of the creating municipality would be required for other areas to be a part of the initial district. Thereafter, consent of the Board of Trustees of the district would be required. The intent would be to organize a district that includes as much of the geographic area as possible of Bexar County, and then hold a district wide election to approve a sales tax or an ad valorem tax. The area of a municipality could not be included in the district without its consent.
8. The county and other municipalities within the county could enter into contracts with the district for the provision of library services or access to services for their residents without becoming a part of the district.
9. The district would be governed by an appointed board of trustees consisting of 5, 7 or 9 members. The creating municipality would appoint 5 trustees. If the unincorporated areas of the county are a part of the district, the county commissioners would appoint 2 trustees. If one or more municipalities within the county are a part of the district, such municipalities would collectively appoint 2 trustees. The original creating municipality would appoint any trustee slots that are not filled by the county or by other municipalities. The terms of the trustees would be for 2 years.

10. The district would have all the powers to manage and operate public library facilities as currently described in Chapter 326, including the ability to issue debt for capital construction projects. Issuance of debt would be subject to the approval of the creating municipality and the county, if the county is a part of the district.

**Financial Impact:**

The financial impact of this item is being reviewed by the Finance Department and Office of Management and Budget, and has yet to be determined.