

Amend the Elkins amendment to CSHB 2 (page 190 of the amendment packet) by striking the text on page 1 of the amendment, lines 4-29, and page 2 of the amendment, lines 1-14, and substituting the following:

SECTION 2B. _____. (a) Subtitle C, Title 2, Education Code, is amended by adding Chapter 14 to read as follows:

CHAPTER 14. CONSOLIDATION OF OR DETACHMENT AND ANNEXATION IN
CERTAIN SCHOOL DISTRICTS

Sec. 14.001. PURPOSE OF CHAPTER. (a) The purpose of this chapter is to provide for the creation of one independent school district in each county in this state, having boundaries coextensive with the boundaries of the county.

(b) This chapter does not affect:

(1) the ability of a school district to consolidate or detach and annex territory under Chapter 41; or

(2) the power of the commissioner to order a consolidation or a detachment and annexation under Chapter 41.

Sec. 14.002. NONAPPLICABILITY OF CHAPTER. This chapter does not apply to:

(1) a school district that, on the effective date of this chapter, has boundaries that are coextensive with those of a single county; or

(2) a special-purpose school district under Subchapter H, Chapter 11.

Sec. 14.003. CONSOLIDATION OF CERTAIN SCHOOL DISTRICTS. Each school district that contains territory located in a single county shall enter into one or more consolidation agreements with each other school district located in the county.

Sec. 14.004. DETACHMENT AND ANNEXATION OF TERRITORY OF CERTAIN SCHOOL DISTRICTS. (a) Each school district that contains territory located in two or more counties shall enter into one or more agreements under which district territory in a county other than the county in which the largest part of the district's student population resides is detached from the district and annexed to a district in the county in which that territory is located.

(b) After completing a detachment and annexation agreement as required by Subsection (a), the school district shall enter into

one or more consolidation agreements as required by Section 14.003.

Sec. 14.005. INITIATION OF PROCEDURE. A consolidation under Section 14.003 or a detachment and annexation under Section 14.004 must be initiated by a resolution of the board of trustees of each school district involved in the procedure.

Sec. 14.006. ELECTION NOT REQUIRED. An election is not required for a consolidation under Section 14.003 or a detachment and annexation under Section 14.004.

Sec. 14.007. EFFECTIVE DATE OF TRANSFER. (a) A consolidation under Section 14.003 or a detachment and annexation under Section 14.004 must have an effective date not later than July 1, 2010.

(b) On the effective date of the transfer:

(1) students residing in the transferred territory become residents of the receiving school district;

(2) title to property allocated to the receiving district vests in the district;

(3) the receiving district assumes any debt allocated to it; and

(4) the receiving district assumes jurisdiction of the annexed territory for all other purposes.

Sec. 14.008. TERMS OF AGREEMENT. An agreement under Section 14.003 or 14.004 must include, as appropriate:

(1) a schedule for electing a board of trustees of the new school district;

(2) provisions relating to the title to district property located in an area detached from one district and annexed to another; and

(3) provisions relating to allocation of debt in connection with district property located in an area detached from one district and annexed to another.

Sec. 14.009. STATUS OF RESULTING DISTRICT. A school district resulting from a consolidation or detachment and annexation under this chapter is an independent school district.

Sec. 14.010. ABOLITION OF COUNTY SYSTEM. (a) On the effective date of an agreement under this chapter creating a school district that contains all the territory in a single county that has a county system operating under former Chapter 18 as provided by Section

11.301, the county system is abolished.

(b) On the abolition of a county system under this section, all assets and liabilities of the system are transferred to the independent school district for the county.

Sec. 14.011. ASSUMPTION OF DEBT. (a) A school district that assumes the indebtedness of another district under this chapter is not required to conduct an election on assumption of the indebtedness. Without an election, the school district assuming the indebtedness may levy and collect taxes necessary to pay principal and interest on the assumed debt so long as the debt is outstanding.

(b) Without an election, a school district may issue refunding bonds for bonds of another district assumed under this chapter.

Sec. 14.012. TAXING AUTHORITY TRANSFER. If all or part of the territory of a school district is annexed to another district, the receiving district may levy taxes at the rate established in accordance with law for the district as a whole and is not required to conduct an election for the purpose of taxing the territory received.

Sec. 14.013. BOUNDARY CHANGES RESULTING IN APPRAISAL DISTRICT CHANGES. (a) This section applies if all or part of territory annexed to a school district is in an appraisal district in which the receiving district does not participate.

(b) For the tax year in which the annexation is effective, the receiving district may impose taxes on the basis of:

(1) the valuation arrived at by the appraisal district in which the territory is located before the annexation; or

(2) the valuation arrived at by a reappraisal requested by the receiving district, and conducted by the appraisal district in which the receiving district participates, in the manner prescribed by Section 25.18(c), Tax Code.

Sec. 14.014. ACTION BY COMMISSIONER. (a) If a school district required to enter into a consolidation agreement or detachment and annexation agreement under this chapter fails to do so before May 1, 2010, the commissioner shall enter an order consolidating the school district with another district or

detaching territory from the district and annexing the territory to another district so that each county contains:

(1) a single independent school district; or

(2) a single independent school district and one or more special-purpose school districts under Subchapter H, Chapter 11.

(b) An order under this section may contain any appropriate provision that may be contained in an agreement under Section 14.008.

Sec. 14.015. EXPIRATION. This chapter expires September 1, 2010.

(b) Section 11.354, Education Code, is amended to read as follows:

Sec. 11.354. ABOLITION OF SPECIAL-PURPOSE DISTRICT. (a) On the written request signed by a majority of the board of trustees of a military reservation school district, the State Board of Education may abolish the district. The State Board of Education shall give written notice to the board of trustees requesting abolition.

(b) Each commissioners court shall annex the territory of the abolished military reservation school district in its county to a contiguous school district in the county.

(c) Title to the real property of the abolished military reservation district vests in the district to which the property is annexed.

(d) The school district to which territory from the abolished district is annexed assumes and is liable for the indebtedness of the abolished district.

(e) A creditor of an abolished military reservation school district must file the creditor's claim against the district with the commissioners court not later than the 60th day after the effective date on which the military reservation school district is abolished and, if the claim is not allowed, may maintain suit against the abolished military reservation school district as such. Suit must be brought not later than the first anniversary of the date on which the claim is disallowed. Process in a suit, if necessary, may be served on the county judge of each county in which

the district was located. The county commissioners court shall defend any suit against an abolished military reservation school district but may settle the litigation as the commissioners court considers advisable. This section does not waive any defense available to the abolished district.~~[The territory of the abolished district and property of the district shall be disposed of as provided by Section 13.205.]~~

(c) Chapter 13, Education Code, is repealed.