

By: Brown of Brazos

H.B. No. 184

A BILL TO BE ENTITLED

AN ACT

relating to the consolidation of, or detachment and annexation of territory in, certain school districts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. 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.

1       Sec. 14.003. CONSOLIDATION OF CERTAIN SCHOOL DISTRICTS.

2       Each school district that contains territory located in a single  
3       county shall enter into one or more consolidation agreements with  
4       each other school district located in the county.

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

12       (b) After completing a detachment and annexation agreement  
13       as required by Subsection (a), the school district shall enter into  
14       one or more consolidation agreements as required by Section 14.003.

15       Sec. 14.005. INITIATION OF PROCEDURE. A consolidation  
16       under Section 14.003 or a detachment and annexation under Section  
17       14.004 must be initiated by a resolution of the board of trustees of  
18       each school district involved in the procedure.

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

22       Sec. 14.007. EFFECTIVE DATE OF TRANSFER. (a) A  
23       consolidation under Section 14.003 or a detachment and annexation  
24       under Section 14.004 must have an effective date not later than July  
25       1, 2010.

26       (b) On the effective date of the transfer:

27       (1) students residing in the transferred territory

1 become residents of the receiving school district;

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

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

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

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

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

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

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

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

21 Sec. 14.010. ABOLITION OF COUNTY SYSTEM. (a) On the  
22 effective date of an agreement under this chapter creating a school  
23 district that contains all the territory in a single county that has  
24 a county system operating under former Chapter 18 as provided by  
25 Section 11.301, the county system is abolished.

26 (b) On the abolition of a county system under this section,  
27 all assets and liabilities of the system are transferred to the

1 independent school district for the county.

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

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

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

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

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

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

25 (2) the valuation arrived at by a reappraisal  
26 requested by the receiving district, and conducted by the appraisal  
27 district in which the receiving district participates, in the

1 manner prescribed by Section 25.18(c), Tax Code.

2 Sec. 14.014. ACTION BY COMMISSIONER. (a) If a school  
3 district required to enter into a consolidation agreement or  
4 detachment and annexation agreement under this chapter fails to do  
5 so before May 1, 2010, the commissioner shall enter an order  
6 consolidating the school district with another district or  
7 detaching territory from the district and annexing the territory to  
8 another district so that each county contains:

9 (1) a single independent school district; or

10 (2) a single independent school district and one or  
11 more special-purpose school districts under Subchapter H, Chapter  
12 11.

13 (b) An order under this section may contain any appropriate  
14 provision that may be contained in an agreement under Section  
15 14.008.

16 Sec. 14.015. EXPIRATION. This chapter expires September 1,  
17 2010.

18 SECTION 2. Effective September 1, 2010, Section 11.301(a),  
19 Education Code, is amended to read as follows:

20 (a) A school district [~~or county system~~] operating under  
21 former Chapter 17, [~~18,~~] 22, 25, 26, 27, or 28 on May 1, 1995, may  
22 continue to operate under the applicable chapter as that chapter  
23 existed on that date and under state law generally applicable to  
24 school districts that does not conflict with that chapter.

25 SECTION 3. Effective September 1, 2010, Section 11.302,  
26 Education Code, is amended to read as follows:

27 Sec. 11.302. PUBLIC INFORMATION. The governing body of a

1 school district [~~or county system~~] to which Section 11.301 applies  
2 shall make available to the public for inspection and copying  
3 during regular operating hours a copy of the provisions under which  
4 the district [~~or county system~~] operates that are specific to that  
5 type of district [~~or county system~~].

6 SECTION 4. Section 11.354, Education Code, is amended to  
7 read as follows:

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

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

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

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

23 (e) A creditor of an abolished military reservation school  
24 district must file the creditor's claim against the district with  
25 the commissioners court not later than the 60th day after the  
26 effective date on which the military reservation school district is  
27 abolished and, if the claim is not allowed, may maintain suit

1 against the abolished military reservation school district as such.  
2 Suit must be brought not later than the first anniversary of the  
3 date on which the claim is disallowed. Process in a suit, if  
4 necessary, may be served on the county judge of each county in which  
5 the district was located. The county commissioners court shall  
6 defend any suit against an abolished military reservation school  
7 district but may settle the litigation as the commissioners court  
8 considers advisable. This section does not waive any defense  
9 available to the abolished district. [~~The territory of the~~  
10 ~~abolished district and property of the district shall be disposed~~  
11 ~~of as provided by Section 13.205.]~~

12 SECTION 5. Section 12.029, Education Code, is amended to  
13 read as follows:

14 Sec. 12.029. STATUS OF DISTRICT IN CASE OF ANNEXATION OR  
15 CONSOLIDATION. (a) If a school district is annexed to another  
16 district under Chapter 14 [~~13~~], and only one of the districts has a  
17 home-rule school district status, the status, as a home-rule or  
18 other type of school district, of the receiving district is the  
19 status for both districts following annexation.

20 (b) Except as provided by Subchapter H, Chapter 41, if two  
21 or more school districts having different status, one of which is  
22 home-rule school district status, consolidate into a single  
23 district, [~~the petition under Section 13.003 initiating the~~  
24 ~~consolidation must state~~] the status for the consolidated district  
25 is the status of the district with the greatest enrollment. [~~The~~  
26 ~~ballot shall be printed to permit voting for or against the~~  
27 ~~proposition: "Consolidation of (names of school districts) into a~~

1 ~~single school district governed as (status of school district~~  
2 ~~specified in the petition)."]~~

3 SECTION 6. Section 39.131(a), Education Code, is amended to  
4 read as follows:

5 (a) If a district does not satisfy the accreditation  
6 criteria, the commissioner shall take any of the following actions,  
7 listed in order of severity, to the extent the commissioner  
8 determines necessary:

9 (1) issue public notice of the deficiency to the board  
10 of trustees;

11 (2) order a hearing conducted by the board of trustees  
12 of the district for the purpose of notifying the public of the  
13 unacceptable performance, the improvements in performance expected  
14 by the agency, and the sanctions that may be imposed under this  
15 section if the performance does not improve;

16 (3) order the preparation of a student achievement  
17 improvement plan that addresses each academic excellence indicator  
18 for which the district's performance is unacceptable, the  
19 submission of the plan to the commissioner for approval, and  
20 implementation of the plan;

21 (4) order a hearing to be held before the commissioner  
22 or the commissioner's designee at which the president of the board  
23 of trustees of the district and the superintendent shall appear and  
24 explain the district's low performance, lack of improvement, and  
25 plans for improvement;

26 (5) arrange an on-site investigation of the district;

27 (6) appoint an agency monitor to participate in and



1 report to the agency on the activities of the board of trustees or  
2 the superintendent;

3 (7) appoint a conservator to oversee the operations of  
4 the district;

5 (8) appoint a management team to direct the operations  
6 of the district in areas of unacceptable performance or require the  
7 district to obtain certain services under a contract with another  
8 person;

9 (9) if a district has been rated as academically  
10 unacceptable for a period of one year or more, appoint a board of  
11 managers to exercise the powers and duties of the board of trustees;

12 (10) if a district has been rated as academically  
13 unacceptable for a period of two years or more, +

14 [~~(A) annex the district to one or more adjoining~~  
15 ~~districts under Section 13.054; or~~

16 [~~(B)~~] in the case of a home-rule school district  
17 or open-enrollment charter school, order closure of all programs  
18 operated under the district's or school's charter; or

19 (11) if a district has been rated as academically  
20 unacceptable for a period of two years or more due to the district's  
21 dropout rates, impose sanctions designed to improve high school  
22 completion rates, including:

23 (A) ordering the development of a dropout  
24 prevention plan for approval by the commissioner;

25 (B) restructuring the district or appropriate  
26 school campuses to improve identification of and service to  
27 students who are at risk of dropping out of school, as defined by

1 Section 29.081;

2 (C) ordering lower student-to-counselor ratios  
3 on school campuses with high dropout rates; and

4 (D) ordering the use of any other intervention  
5 strategy effective in reducing dropout rates, including mentor  
6 programs and flexible class scheduling.

7 SECTION 7. Section 41.032, Education Code, is amended to  
8 read as follows:

9 Sec. 41.032. CONSOLIDATION AGREEMENT [~~GOVERNING LAW~~]. The  
10 agreement among the consolidating districts [~~Except to the extent~~  
11 ~~modified by the terms of the agreement, the consolidated district~~  
12 ~~is governed by the applicable provisions of Subchapter D, Chapter~~  
13 ~~13, other than a provision requiring consolidating districts to be~~  
14 ~~contiguous. The agreement]~~ may not be inconsistent with the  
15 requirements of this subchapter.

16 SECTION 8. Section 41.033(a), Education Code, is amended to  
17 read as follows:

18 (a) The agreement among the consolidating districts may  
19 include a governance plan designed to preserve community-based and  
20 site-based decision making within the consolidated district,  
21 including the delegation of specific powers of the governing board  
22 of the district other than the power to levy taxes. The agreement  
23 may include:

24 (1) an effective date that is not more than one year  
25 after the date of the consolidation election;

26 (2) a schedule to elect the board of trustees of the  
27 consolidated district before or after the effective date of

1 consolidation;

2 (3) a requirement that the consolidated district  
3 educate particular grades within the boundaries of a district being  
4 consolidated;

5 (4) a requirement that the consolidated district  
6 maintain a specific campus in operation;

7 (5) a provision stating that if the votes cast in some  
8 districts, but not all districts, show a majority voting in favor of  
9 the consolidation, the districts receiving a favorable vote may  
10 consolidate;

11 (6) a provision stating that a majority of the votes  
12 cast in each district must be in favor of consolidation for there to  
13 be a consolidation; or

14 (7) any other provision consistent with state and  
15 federal law [~~, including a provision authorized by Section~~  
16 ~~13.158(b)~~].

17 SECTION 9. Subchapter B, Chapter 41, Education Code, is  
18 amended by adding Sections 41.0331 and 41.0332 to read as follows:

19 Sec. 41.0331. ELECTION. (a) Each board of trustees of a  
20 school district that proposes to consolidate under this subchapter  
21 shall:

22 (1) issue an order for an election to be held on the  
23 same day in each district included in the proposed consolidated  
24 district; and

25 (2) give notice of the election.

26 (b) The ballot in the election shall be printed to permit  
27 voting for or against the proposition: "Consolidation of (names of

1 school districts) into a single school district."

2 (c) Each board of trustees shall canvass the returns of the  
3 election in its district and shall publish the results separately  
4 for each district.

5 (d) If the votes cast in all districts show a majority in  
6 each district voting in favor of the consolidation, the boards of  
7 trustees shall declare the districts consolidated.

8 Sec. 41.0332. TITLE TO PROPERTY; ASSUMPTION OF DEBT. Title  
9 to all property of the consolidating districts vests in the  
10 consolidated district, and the consolidated district assumes and is  
11 liable for the outstanding indebtedness of the consolidating  
12 districts.

13 SECTION 10. Section 41.064, Education Code, is amended to  
14 read as follows:

15 Sec. 41.064. ALLOCATION OF INDEBTEDNESS. (a) The  
16 annexation agreement may allocate to the receiving district any  
17 portion of the indebtedness of the district from which the  
18 territory is detached, and the receiving district assumes and is  
19 liable for the allocated indebtedness.

20 (b) A school district that assumes the indebtedness of  
21 another district under this subchapter is not required to conduct  
22 an election on assumption of the indebtedness. Without an election,  
23 the school district assuming the indebtedness may levy and collect  
24 taxes necessary to pay principal and interest on the assumed debt so  
25 long as the debt is outstanding.

26 (c) Without an election, a school district may issue  
27 refunding bonds for bonds of another district assumed under this

1 subchapter.

2 SECTION 11. Subchapter C, Chapter 41, Education Code, is  
3 amended by adding Sections 41.066 and 41.067 to read as follows:

4 Sec. 41.066. TRANSFER. On the effective date of the  
5 transfer of territory under this subchapter:

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

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

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

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

14 Sec. 41.067. TAXING AUTHORITY TRANSFER. The receiving  
15 district may levy taxes at the rate established in accordance with  
16 law for the district as a whole and is not required to conduct an  
17 election for the purpose of taxing the territory received.

18 SECTION 12. Section 41.096(a), Education Code, is amended  
19 to read as follows:

20 (a) After first executing an agreement under this section,  
21 the board of trustees shall order and conduct an election[~~, in the~~  
22 ~~manner provided by Sections 13.003(d)-(g),~~] to obtain voter  
23 approval of the agreement.

24 SECTION 13. Section 41.122(a), Education Code, is amended  
25 to read as follows:

26 (a) After first executing an agreement under this  
27 subchapter other than an agreement under Section 41.125, the board

1 of trustees of the district that will be educating nonresident  
2 students shall order and conduct an election[~~, in the manner~~  
3 ~~provided by Sections 13.003(d)-(g),~~] to obtain voter approval of  
4 the agreement.

5 SECTION 14. (a) The following provisions of the Education  
6 Code are repealed:

- 7 (1) Chapter 13; and  
8 (2) Sections 41.007, 41.034(b) and (c), 41.062, and  
9 41.253(d).

10 (b) Effective September 1, 2010, Section 11.303, Education  
11 Code, is repealed.

12 SECTION 15. Except as otherwise provided by this Act, this  
13 Act takes effect immediately if it receives a vote of two-thirds of  
14 all the members elected to each house, as provided by Section 39,  
15 Article III, Texas Constitution. If this Act does not receive the  
16 vote necessary for immediate effect, this Act takes effect  
17 September 1, 2005, except as otherwise provided by this Act.