

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 492
By: Orr (Averitt)
Intergovernmental Relations
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.H.B. 492 provides for the removal, transfer, or exclusion of territory in emergency service districts in certain populous counties and prohibits municipalities located in certain counties from removing territory within their extraterritorial jurisdiction from an emergency services district. This bill ensures that citizens within these emergency services districts are not involuntarily removed from the district and left without emergency services.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 775, Health and Safety Code, by adding Subchapter H, as follows:

SUBCHAPTER H. CHANGE IN BOUNDARIES OF DISTRICT WITH PLANNED COMMUNITY

Sec. 775.201. DEFINITION. Defines "planned community."

Sec. 775.202. AGREEMENT ON BOUNDARIES WITH PROPERTY OWNERS IN PLANNED COMMUNITY. (a) Authorizes an emergency service district (district) located wholly within a county with a population of 2.8 million or more, after a hearing, to exclude territory by making changes in the district's boundaries in accordance with an agreement among the district and the owners of two-thirds or more in acreage and two-thirds or more in taxable value, according to the most recent certified county property tax rolls, of a defined area of territory of a planned community.

(b) Requires the agreements to be in writing and describe that affected territory by metes and bounds, including the changes in the boundaries to be made, the amount of any compensation to be paid to the district under Section 775.205, the effective date for the changes in the boundaries, and any other applicable terms.

Sec. 775.203. NOTICE OF HEARING. (a) Requires the board secretary to give notice of the hearing.

(b) Requires the notice to contain the time and place for the hearing and a description of the territory proposed to be excluded.

(c) Requires the secretary to post copies of the notice and publish the notice in a certain manner and by certain dates.

Sec. 775.204. ADOPTION OF AGREEMENT AND APPROVAL OF EXCLUSION. Requires the board by a resolution entered in its minutes to adopt the agreement and approve the exclusion, after its hearing, if the board finds that the exclusion of the territory would be feasible and would benefit the district.

Sec. 775.205. EFFECT OF ADOPTION OF AGREEMENT AND APPROVAL OF EXCLUSION. (a) Provides that the district's tax on the property in the excluded territory continues until all agreed compensation has been paid in full after adoption and approval under Section 775.204.

(b) Requires the district to apply the compensation received under this section toward the payment of the obligations described by Subsection (c).

(c) Requires the agreement to provide for the excluded territory to compensate the district in an amount equal to the excluded territory's pro rata share of the outstanding and unpaid bonds, warrants, or other direct and indirect obligations, including loans and lease-purchase agreements and written funding assistance agreements of the district and any not-for-profit fire departments and ambulance agencies or associations, for the financing and payment equipment, fire and ambulance stations, or similar long-term capital assets to serve the district.

(d) Provides that the excluded territory's share is the unpaid principal balances of the outstanding loans and other obligations enumerated by Subsection (c) multiplied by a fraction, the numerator of which is the taxable value of the property in the excluded territory and the denominator of which is the taxable value of the entire district, including the excluded territory. Provides that the taxable value calculated under this subsection for property in the excluded territory, including part of the entire district, does not include any special appraisal or exemptions for the property.

(e) Provides that the agreement to compensate the district does not include certain expenses incurred by the district after the boundaries change.

(f) Provide that the agreement to compensate the district is required regardless of whether the loans and other obligations are subject to non-appropriation by the district or termination by either party before payment in full of the unpaid principal balance.

Sec. 775.206. NO EFFECT ON OUTSTANDING OBLIGATIONS. Provides that a change in boundaries under this subchapter does not diminish or impair the rights of the holders of any outstanding and unpaid bonds, warrants, or other district obligations.

SECTION 2. Amends Section 776.052(a), Health and Safety Code, to delete text authorizing a municipality's governing body to remove territory in the municipality's extraterritorial jurisdiction from an emergency services district if the municipality agrees to provide emergency protection to the territory as prescribed by Section 776.014 (Creation of District that Includes Municipal Territory), or the territory is designated an industrial district under Section 42.044 (Creation of Industrial District in Extraterritorial Jurisdiction), Local Government Code.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2007.