

By: Riddle

H.B. No. 3248

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the transfer or exclusion of territory in emergency
3 services districts.

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

5 SECTION 1. Section 775.056, Health and Safety Code, is
6 amended by adding Subsections (d) and (e) to read as follows:

7 (d) The board secretary of the district to which territory
8 is proposed to be transferred shall give notice of the hearing. The
9 notice must contain the time and place for the hearing and describe
10 the territory proposed to be transferred. The secretary shall:

11 (1) post copies of the notice for at least 15 days
12 before the date of the hearing in three public places in the
13 district, one of which must be in the territory proposed to be
14 transferred; and

15 (2) not later than the 16th day before the date on
16 which the hearing is held, publish the notice once in a newspaper of
17 general circulation in each county in which the transferred
18 territory is located.

19 (e) After the hearing, if the board of each affected
20 district finds that the transfer of the territory would be feasible
21 and would benefit the district, each board shall approve the
22 transfer by a resolution entered in its minutes.

23 SECTION 2. Chapter 775, Health and Safety Code, is amended
24 by adding Subchapter H to read as follows:

1 SUBCHAPTER H. CHANGE IN BOUNDARIES OF DISTRICT WITH PLANNED
2 COMMUNITY

3 Sec. 775.201. DEFINITION. In this subchapter, "planned
4 community" means a planned community of 15,000 or more acres of land
5 originally established under the Urban Growth and New Community
6 Development Act of 1970 (42 U.S.C. Section 4501 et seq.) that is:

7 (1) located in a county with a population of 2.8
8 million or more or in a county adjacent to such a county; and

9 (2) subject to restrictive covenants containing ad
10 valorem or annual variable budget-based assessments on real
11 property for use in part to finance services of the same general
12 type provided by the district.

13 Sec. 775.202. AGREEMENT ON BOUNDARIES WITH PROPERTY OWNERS
14 IN A PLANNED COMMUNITY. (a) After a hearing, a district may exclude
15 territory by making changes in the district's boundaries in
16 accordance with an agreement among the district and the owners of
17 two-thirds or more in acreage and two-thirds or more in taxable
18 value, according to the most recent certified county property tax
19 rolls, of a defined area of territory of a planned community.

20 (b) The agreement must be in writing and describe:

21 (1) the affected territory by metes and bounds,
22 including the changes in the boundaries to be made;

23 (2) the amount of any compensation to be paid to the
24 district under Section 775.205;

25 (3) the effective date for the changes in boundaries;
26 and

27 (4) any other applicable terms.

1 Sec. 775.203. NOTICE OF HEARING. (a) The board secretary
2 shall give notice of the hearing.

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

5 (c) The secretary shall:

6 (1) post copies of the notice for at least 15 days
7 before the date of the hearing in three public places in the
8 district, one of which must be in the territory proposed to be
9 excluded; and

10 (2) not later than the 16th day before the date on
11 which the hearing is held, publish the notice once in a newspaper of
12 general circulation in each county in which the excluded territory
13 is located.

14 Sec. 775.204. ADOPTION OF AGREEMENT AND APPROVAL OF
15 EXCLUSION. After the hearing, if the board finds that the exclusion
16 of the territory would be feasible and would benefit the district,
17 the board shall by a resolution entered in its minutes:

18 (1) adopt the agreement; and

19 (2) approve the exclusion.

20 Sec. 775.205. EFFECT OF ADOPTION OF AGREEMENT AND APPROVAL
21 OF EXCLUSION. (a) After adoption and approval under Section
22 775.204, the district's tax on the property in the excluded
23 territory continues until all agreed compensation has been paid in
24 full.

25 (b) The district shall apply the compensation received
26 under this section toward the payment of the obligations described
27 by Subsection (c).

1 (c) The agreement must provide for the excluded territory to
2 compensate the district in an amount equal to the excluded
3 territory's pro rata share of the district's outstanding and unpaid
4 bonds, warrants, or other direct and indirect obligations,
5 including loans and lease-purchase agreements and written funding
6 assistance agreements with not-for-profit fire departments,
7 ambulance agencies or associations in the district for the
8 financing and payment for fire-fighting, emergency medical service
9 and emergency rescue equipment, fire and ambulance stations or
10 similar long-term capital assets, based on the unpaid principal
11 balances owed for the capital assets and the appraised value of the
12 excluded territory and the actual taxable values of the district as
13 a whole at the time the changes in boundaries are made, regardless
14 of whether the funding assistance agreements are subject to
15 termination by either party before payment in full of the unpaid
16 principal balances.

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

21 SECTION 3. Section 272.001(b), Local Government Code, is
22 amended to read as follows:

23 (b) The notice and bidding requirements of Subsection (a) do
24 not apply to the types of land and real property interests described
25 by this subsection and owned by a political subdivision. The land
26 and those interests described by this subsection may not be
27 conveyed, sold, or exchanged for less than the fair market value of

1 the land or interest unless the conveyance, sale, or exchange is
2 with one or more abutting property owners who own the underlying fee
3 simple. The fair market value is determined by an appraisal
4 obtained by the political subdivision that owns the land or
5 interest or, in the case of land or an interest owned by a home-rule
6 municipality, the fair market value may be determined by the price
7 obtained by the municipality at a public auction for which notice to
8 the general public is published in the manner described by
9 Subsection (a). The notice of the auction must include, instead of
10 the content required by Subsection (a), a description of the land,
11 including its location, the date, time, and location of the
12 auction, and the procedures to be followed at the auction. The
13 appraisal or public auction price is conclusive of the fair market
14 value of the land or interest, regardless of any contrary provision
15 of a home-rule charter. This subsection applies to:

16 (1) narrow strips of land, or land that because of its
17 shape, lack of access to public roads, or small area cannot be used
18 independently under its current zoning or under applicable
19 subdivision or other development control ordinances;

20 (2) streets or alleys, owned in fee or used by
21 easement;

22 (3) land or a real property interest originally
23 acquired for streets, rights-of-way, or easements that the
24 political subdivision chooses to exchange for other land to be used
25 for streets, rights-of-way, easements, or other public purposes,
26 including transactions partly for cash;

27 (4) land that the political subdivision wants to have

1 developed by contract with an independent foundation;

2 (5) a real property interest conveyed to:

3 (A) a governmental entity that has the power of
4 eminent domain; or

5 (B) an emergency services district operating
6 under Chapter 775, Health and Safety Code;

7 (6) a municipality's land that is located in a
8 reinvestment zone designated as provided by law and that the
9 municipality desires to have developed under a project plan adopted
10 by the municipality for the zone; or

11 (7) a property interest owned by a defense base
12 development authority established under Chapter 379B [~~378, Local~~
13 ~~Government Code, as added by Chapter 1221, Acts of the 76th~~
14 ~~Legislature, Regular Session, 1999]~~.

15 SECTION 4. The changes in law made by this Act apply only to
16 a change in boundaries agreed to on or after the effective date of
17 this Act. A change in boundaries agreed to before the effective
18 date of this Act is governed by the law existing at the time of the
19 agreement, and the former law is continued in effect for that
20 purpose.

21 SECTION 5. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2007.