

SENATE AMENDMENTS

2nd Printing

By: Orr

H.B. No. 492

A BILL TO BE ENTITLED

AN ACT

relating to removal of territory from an emergency services district by a municipality.

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

SECTION 1. Section 776.052(a), Health and Safety Code, is amended to read as follows:

(a) If territory in a municipality's limits [~~ex~~
~~extraterritorial jurisdiction~~] is included in a district, the municipality's governing body may remove that territory from the district if:

(1) the municipality agrees to provide emergency protection to the territory as prescribed by Section 776.014; or

(2) the territory is designated an industrial district under Section 42.044, Local Government Code.

SECTION 2. The change in law made by this Act applies only to a removal of territory that occurs on or after the effective date of this Act. A removal of territory that occurs before the effective date of this Act is governed by the law in effect on the date the territory is removed, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2007.

ADOPTED

MAY 22 2007

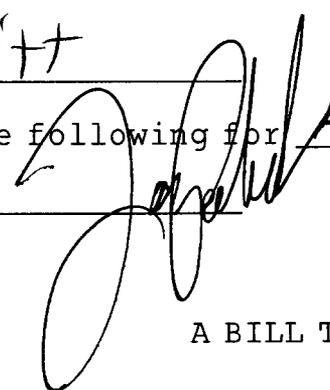
Lotay Spaw
Secretary of the Senate

ORR/

By: AUGITT

H.B. No. 492

Substitute the following for H.B. No. 492:

By: 

C.S. H.B. No. H492

A BILL TO BE ENTITLED

AN ACT

relating to the removal, transfer, or exclusion of territory in emergency services districts.

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

SECTION 1. Chapter 775, Health and Safety Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. CHANGE IN BOUNDARIES OF DISTRICT WITH PLANNED COMMUNITY

Sec. 775.201. DEFINITION. In this subchapter, "planned community" means a planned community of 25,000 or more acres of land originally established under the Urban Growth and New Community Development Act of 1970 (42 U.S.C. Section 4501 et seq.) that is:

(1) located wholly or partly in a county with a population of 2.8 million or more; and

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

Sec. 775.202. AGREEMENT ON BOUNDARIES WITH PROPERTY OWNERS IN PLANNED COMMUNITY. (a) After a hearing, a district located wholly in a county with a population of 2.8 million or more may 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

1 value, according to the most recent certified county property tax
2 rolls, of a defined area of territory of a planned community.

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

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

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

8 (3) the effective date for the changes in boundaries;

9 and

10 (4) any other applicable terms.

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

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

15 (c) The secretary shall:

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

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

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

1 (1) adopt the agreement; and

2 (2) approve the exclusion.

3 Sec. 775.205. EFFECT OF ADOPTION OF AGREEMENT AND APPROVAL
4 OF EXCLUSION. (a) After adoption and approval under Section
5 775.204, the district's tax on the property in the excluded
6 territory continues until all agreed compensation has been paid in
7 full.

8 (b) The district shall apply the compensation received
9 under this section toward the payment of the obligations described
10 by Subsection (c).

11 (c) The agreement must provide for the excluded territory to
12 compensate the district in an amount equal to the excluded
13 territory's pro rata share of the outstanding and unpaid bonds,
14 warrants, or other direct and indirect obligations, including loans
15 and lease-purchase agreements and written funding assistance
16 agreements of the district and any not-for-profit fire departments
17 and ambulance agencies or associations, for the financing and
18 payment for firefighting, emergency medical service and emergency
19 rescue equipment, fire and ambulance stations, or similar long-term
20 capital assets to serve the district.

21 (d) The excluded territory's pro rata share is the unpaid
22 principal balances of the outstanding loans and other obligations
23 enumerated by Subsection (c) multiplied by a fraction, the
24 numerator of which is the taxable value of the property in the
25 excluded territory and the denominator of which is the taxable
26 value of the entire district, including the excluded territory. The
27 taxable value calculated under this subsection for property in the

1 excluded territory, including as part of the entire district, does
2 not include any special appraisal or exemptions for the property.

3 (e) The agreement to compensate the district does not
4 include the following expenses incurred by the district after the
5 boundaries change:

6 (1) expenses for district operations and maintenance;
7 and

8 (2) expenses for district services.

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

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

17 SECTION 2. Section 776.052(a), Health and Safety Code, is
18 amended to read as follows:

19 (a) If territory in a municipality's limits [~~or~~
20 ~~extraterritorial jurisdiction~~] is included in a district, the
21 municipality's governing body may remove that territory from the
22 district if:

23 (1) the municipality agrees to provide emergency
24 protection to the territory as prescribed by Section 776.014; or

25 (2) the territory is designated an industrial district
26 under Section 42.044, Local Government Code.

27 SECTION 3. The change in law made by this Act applies only

1 to a removal of territory that occurs, or a change in boundaries
2 agreed to, on or after the effective date of this Act. A removal of
3 territory that occurs, or a change in boundaries agreed to, before
4 the effective date of this Act is governed by the law in effect on
5 the date the territory is removed, and that law is continued in
6 effect for that purpose.

7 SECTION 4. This Act takes effect September 1, 2007.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 10, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB492 by Orr (Relating to the removal, transfer, or exclusion of territory in emergency services districts.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

SECTION 1 of the bill would amend the Health and Safety Code by adding Subchapter H to Chapter 775 regarding changing the boundaries of a district with a planned community. Subchapter H would apply only to certain planned communities in a county with a population of 2.8 million or more. Based on the 2000 U.S. Census, the subchapter would apply only to a planned community located wholly or partly in Harris County.

SECTION 2 would amend Section 776.052(a), Health and Safety Code, by removing reference to the extraterritorial jurisdiction from the area of an emergency services district as territory included in a municipality's limits that the municipality may remove from the emergency services district.

Local Government Impact

Because SECTION 1 of the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Regarding SECTION 2, although an emergency services district could lose territory, those districts responding to an inquiry about the impact of the bill indicated that no significant fiscal implication is anticipated.

Source Agencies:

LBB Staff: JOB, DB

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 17, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB492 by Orr (Relating to removal of territory from an emergency services district by a municipality.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend Section 776.052(a), Health and Safety Code, by removing reference to the extraterritorial jurisdiction from the area of an emergency services district as territory included in a municipality's limits that the municipality may remove from the emergency services district.

Local Government Impact

Although an emergency services district could lose territory, those districts responding to an inquiry about the impact of the bill indicated that no significant fiscal implication is anticipated.

Source Agencies:

LBB Staff: JOB, DB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 10, 2007

TO: Honorable Wayne Smith, Chair, House Committee on County Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB492 by Orr (Relating to removal of territory from an emergency services district by a municipality.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend Section 776.052(a), Health and Safety Code, by removing reference to the extraterritorial jurisdiction from the area of an emergency services district as territory included in a municipality's limits that the municipality may remove from the emergency services district.

Local Government Impact

Although an emergency services district could lose territory, those districts responding to an inquiry about the impact of the bill indicated that no significant fiscal implication is anticipated.

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