

1-1 By: Bolton, et al. (Senate Sponsor - Lucio) H.B. No. 3477
1-2 (In the Senate - Received from the House May 12, 2009;
1-3 May 13, 2009, read first time and referred to Committee on Finance;
1-4 May 23, 2009, reported favorably by the following vote: Yeas 12,
1-5 Nays 1; May 23, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to authorizing an emergency services district to impose an
1-9 ad valorem tax for the acquisition of land, equipment, or apparatus
1-10 or the construction of capital improvements.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 775.018(a), Health and Safety Code, is
1-13 amended to read as follows:

1-14 (a) On the granting of a petition, the commissioners court
1-15 shall order an election to confirm the district's creation and
1-16 authorize the imposition of the taxes provided and [a tax] not to
1-17 exceed the rates [rate] allowed by Section 48-e, Article III, Texas
1-18 Constitution. Any conditions negotiated under Section 775.014(h)
1-19 must be included on the ballot.

1-20 SECTION 2. The heading to Section 775.074, Health and
1-21 Safety Code, is amended to read as follows:

1-22 Sec. 775.074. AD VALOREM TAXES [~~TAX~~].

1-23 SECTION 3. Section 775.074, Health and Safety Code, is
1-24 amended by amending Subsection (a) and adding Subsections (a-1),
1-25 (a-2), and (a-3) to read as follows:

1-26 (a) The board shall annually impose an ad valorem tax on all
1-27 real and personal property located in the district and subject to
1-28 district taxation for the operating and capital [district's]
1-29 support of the district [and the purposes authorized by this
1-30 chapter].

1-31 (a-1) In addition to the ad valorem tax authorized under
1-32 Subsection (a), the board, after its establishment following an
1-33 election held under Section 775.018 and subject to Section
1-34 775.0745(a-1), shall annually impose an additional ad valorem tax
1-35 on all real and personal property in the district that is subject to
1-36 district taxation for the exclusive purposes of the acquisition of
1-37 land, equipment, or apparatus or the construction of capital
1-38 improvements, as described in the capital improvements plan filed
1-39 under Subsection (a-2). The board may use the tax for any related
1-40 purpose or pledge the revenue from the tax to pay the principal of
1-41 and interest on any bonds or notes issued or other indebtedness,
1-42 including loans and other financial arrangements described by
1-43 Section 775.085, to acquire land, equipment, or apparatus or to
1-44 construct capital improvements under this section, as the interest
1-45 and principal come due and to provide reserve funds if prescribed in
1-46 the resolution authorizing or the trust indenture securing the
1-47 bonds, notes, or other indebtedness. The revenue from the tax
1-48 authorized under this subsection shall be maintained in an account
1-49 separate from the maintenance and operations funds of the district.
1-50 A tax authorized by an election held under Section 775.0745(a-1)
1-51 may not be imposed on or after the date that:

1-52 (1) the purchase price of the capital assets as
1-53 provided by the capital improvements plan is paid in full; and

1-54 (2) the bonds, notes, or other indebtedness, including
1-55 loans and other financial arrangements described by Section
1-56 775.085, as authorized by the capital improvements plan, are paid
1-57 in full.

1-58 (a-2) The district may impose the tax under Subsection (a-1)
1-59 only if imposition of the tax is approved by the district voters
1-60 voting in an election held under Section 775.0745. At least 30 days
1-61 before the date the board orders an election to authorize the
1-62 additional tax described by Subsection (a-1), the district shall
1-63 file in the administrative office of the district a capital
1-64 improvements plan that is open to public inspection and that

2-1 describes the planned acquisition of land, equipment, or apparatus
2-2 or the planned construction of the capital improvements and their
2-3 estimated cost and incidental expenses. The capital improvements
2-4 plan is not:

- 2-5 (1) part of a proposition to be voted on; or
- 2-6 (2) a contract with the voters.

2-7 (a-3) In addition to any other information required by law,
2-8 notice of an election to authorize the additional tax described by
2-9 Subsection (a-1) must contain a copy of each proposition that will
2-10 be voted on at the election. The notice must include an estimate of
2-11 the probable cost of land, equipment, or apparatus or the
2-12 construction of capital improvements contained in the capital
2-13 improvements plan filed under Subsection (a-2) and any incidental
2-14 expenses connected with the issuance of bonds, notes, or other
2-15 indebtedness.

2-16 SECTION 4. The heading to Section 775.0745, Health and
2-17 Safety Code, is amended to read as follows:

2-18 Sec. 775.0745. ELECTION TO INCREASE TAX RATE OR IMPOSE TAX.

2-19 SECTION 5. Section 775.0745, Health and Safety Code, is
2-20 amended by adding Subsection (a-1) to read as follows:

2-21 (a-1) If the board decides to increase a tax imposed under
2-22 Section 775.074(a-1) to any rate above the rate approved by the
2-23 voters under Section 775.074(a-2), the board must order an election
2-24 to authorize the tax rate increase. Notwithstanding Subsection
2-25 (c), the board must hold the election on the uniform election date
2-26 in November. The proposition on the ballot must state the proposed
2-27 tax rate to be authorized at the election and the notice for the
2-28 election must conform to the requirements prescribed by Subsection
2-29 (b) and Section 775.074(a-3).

2-30 SECTION 6. This Act takes effect January 1, 2010, but only
2-31 if the constitutional amendment proposed by the 81st Legislature,
2-32 Regular Session, 2009, to authorize an emergency services district
2-33 to impose an ad valorem tax on property situated in the district not
2-34 to exceed five cents for the acquisition of land, equipment, or
2-35 apparatus or the construction of capital improvements, is approved
2-36 by the voters. If the proposed amendment is not approved by the
2-37 voters, this Act has no effect.

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