

1-1 By: Lucio S.B. No. 2212
1-2 (In the Senate - Filed March 13, 2009; March 31, 2009, read
1-3 first time and referred to Committee on Finance; April 30, 2009,
1-4 reported adversely, with favorable Committee Substitute by the
1-5 following vote: Yeas 9, Nays 0; April 30, 2009, sent to printer.)

1-6 COMMITTEE SUBSTITUTE FOR S.B. No. 2212 By: Lucio

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to authorizing an emergency services district to impose an
1-10 ad valorem tax for the acquisition of land, equipment, or apparatus
1-11 or the construction of capital improvements.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subsection (a), Section 775.018, Health and
1-14 Safety Code, is amended to read as follows:

1-15 (a) On the granting of a petition, the commissioners court
1-16 shall order an election to confirm the district's creation and
1-17 authorize the imposition of the taxes provided, ~~[a tax]~~ not to
1-18 exceed the rates ~~[rate]~~ allowed by Section 48-e, Article III, Texas
1-19 Constitution. Any conditions negotiated under Section 775.014(h)
1-20 must be included on the ballot.

1-21 SECTION 2. The heading to Section 775.074, Health and
1-22 Safety Code, is amended to read as follows:

1-23 Sec. 775.074. AD VALOREM TAXES ~~[TAX]~~.

1-24 SECTION 3. Section 775.074, Health and Safety Code, is
1-25 amended by amending Subsection (a) and adding Subsections (a-1),
1-26 (a-2), and (a-3) to read as follows:

1-27 (a) The board shall annually impose an ad valorem tax on all
1-28 real and personal property located in the district and subject to
1-29 district taxation for the operating and capital ~~[district's]~~
1-30 support of the district ~~[and the purposes authorized by this~~
1-31 ~~chapter]~~.

1-32 (a-1) In addition to the ad valorem tax authorized under
1-33 Subsection (a), the board, after its establishment following an
1-34 election held under Section 775.018 and subject to Section
1-35 775.0745(a-1), shall annually impose an additional ad valorem tax
1-36 on all real and personal property in the district that is subject to
1-37 district taxation for the exclusive purposes of the acquisition of
1-38 land, equipment, or apparatus or the construction of capital
1-39 improvements, as described in the capital improvements plan filed
1-40 under Subsection (a-2). The board may use the tax for any related
1-41 purpose or pledge the revenue from the tax to pay the principal of
1-42 and interest on any bonds or notes issued or other indebtedness,
1-43 including loans and other financial arrangements described by
1-44 Section 775.085, to acquire land, equipment, or apparatus or to
1-45 construct capital improvements under this section, as the interest
1-46 and principal come due and to provide reserve funds if prescribed in
1-47 the resolution authorizing or the trust indenture securing the
1-48 bonds, notes, or other indebtedness. The revenue from the tax
1-49 authorized under this subsection shall be maintained in an account
1-50 separate from the maintenance and operations funds of the district.
1-51 A tax authorized by an election held under Section 775.0745(a-1)
1-52 may not be imposed on or after the date that:

1-53 (1) the purchase price of the capital assets as
1-54 provided by the capital improvements plan is paid in full; and

1-55 (2) the bonds, notes, or other indebtedness, including
1-56 loans and other financial arrangements described by Section
1-57 775.085, as authorized by the capital improvements plan, are paid
1-58 in full.

1-59 (a-2) The district may impose the tax under Subsection (a-1)
1-60 only if imposition of the tax is approved by the district voters
1-61 voting in an election held under Section 775.0745. At least 30 days
1-62 before the date the board orders an election to authorize the
1-63 additional tax described by Subsection (a-1), the district shall

2-1 file in the administrative office of the district a capital
2-2 improvements plan that is open to public inspection and that
2-3 describes the planned acquisition of land, equipment, or apparatus
2-4 or the planned construction of the capital improvements and their
2-5 estimated cost and incidental expenses. The capital improvements
2-6 plan is not:

- 2-7 (1) part of a proposition to be voted on; or
- 2-8 (2) a contract with the voters.

2-9 (a-3) In addition to any other information required by law,
2-10 notice of an election to authorize the additional tax described by
2-11 Subsection (a-1) must contain a copy of each proposition that will
2-12 be voted on at the election. The notice must include an estimate of
2-13 the probable cost of land, equipment, or apparatus or the
2-14 construction of capital improvements contained in the capital
2-15 improvements plan filed under Subsection (a-2) and any incidental
2-16 expenses connected with the issuance of bonds, notes, or other
2-17 indebtedness.

2-18 SECTION 4. The heading to Section 775.0745, Health and
2-19 Safety Code, is amended to read as follows:

2-20 Sec. 775.0745. ELECTION TO INCREASE TAX RATE OR IMPOSE TAX.

2-21 SECTION 5. Section 775.0745, Health and Safety Code, is
2-22 amended by adding Subsection (a-1) to read as follows:

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

2-38 * * * * *