

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 21, 2009

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

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

IN RE: HB2788 by Miller, Doug (Relating to the powers and duties of counties and emergency services districts.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would add Subchapter I to Chapter 775, Health and Safety Code, to authorize certain emergency services districts located in a county with a population of 125,000 or less to create a new district by disannexing territory from the existing district by ordering a new district to be created in the manner set forth in the provisions of the bill. Requirements would include the district's board holding a public hearing upon receipt of a petition requesting the division, signed by at least 7 percent of the district's qualified voters or at least 100 qualified voters in the district, whichever is less. Notice of the hearing must be published in a newspaper of general circulation in the district once a week for two consecutive weeks.

Upon granting a petition to divide the district, the district board would be required to order an election to be held in the territory of the proposed new district to confirm the division of the existing district. Notice must be published of the election, and the election shall be held on the first authorized uniform election date prescribed by the Election Code that would allow sufficient time to comply with the requirements of law. The bill establishes the method for appointing a board for the new district if it is located wholly in one county.

Property disannexed would not be released from its pro rata share of any of the district's bonded indebtedness on the date of the disannexation, and the district may continue to tax property in the disannexed territory until that debt is paid as if the territory had not been disannexed.

The bill would amend the Tax Code to require the comptroller, upon request, to provide sales tax information to a county or emergency services district that had adopted a sales tax. The Comptroller's office indicates that any costs associated with the provision could be absorbed within existing state resources.

The bill would repeal Chapter 776, Health and Safety Code, and would make conforming amendments in Section 775.0205 of the Health and Safety Code, Section 344.051 of the Local Government Code, and Section 323.101 of the Tax Code. These changes would result in converting the powers and duties of emergency services districts created under Chapter 776 (districts created in a county with a population of 125,000 or less) to the same as powers and duties authorized for emergency services districts created under Chapter 775, Health and Safety Code.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

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