

By: Brown

H.B. No. 106

A BILL TO BE ENTITLED

AN ACT

relating to the consolidation of, or detachment and annexation of territory in, certain school districts.

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

SECTION 1. Subtitle C, Title 2, Education Code, is amended by adding Chapter 14 to read as follows:

CHAPTER 14. CONSOLIDATION OF OR DETACHMENT AND ANNEXATION

IN CERTAIN SCHOOL DISTRICTS

Sec. 14.001. PURPOSE OF CHAPTER. (a) The purpose of this chapter is to provide for the creation of one independent school district in each county in this state, having boundaries coextensive with the boundaries of the county.

(b) This chapter does not affect:

(1) the ability of a school district to consolidate or detach and annex territory under Chapter 41; or

(2) the power of the commissioner to order a consolidation or a detachment and annexation under Chapter 41.

Sec. 14.002. NONAPPLICABILITY OF CHAPTER. This chapter does not apply to:

(1) a school district that, on the effective date of this chapter, has boundaries that are coextensive with those of a single county; or

(2) a special-purpose school district under Subchapter H, Chapter 11.

1 Sec. 14.003. CONSOLIDATION OF CERTAIN SCHOOL DISTRICTS.

2 Each school district that contains territory located in a single
3 county shall enter into one or more consolidation agreements with
4 each other school district located in the county.

5 Sec. 14.004. DETACHMENT AND ANNEXATION OF TERRITORY OF
6 CERTAIN SCHOOL DISTRICTS. (a) Each school district that contains
7 territory located in two or more counties shall enter into one or
8 more agreements under which district territory in a county other
9 than the county in which the largest part of the district's student
10 population resides is detached from the district and annexed to a
11 district in the county in which that territory is located.

12 (b) After completing a detachment and annexation agreement
13 as required by Subsection (a), the school district shall enter into
14 one or more consolidation agreements as required by Section 14.003.

15 Sec. 14.005. INITIATION OF PROCEDURE. A consolidation
16 under Section 14.003 or a detachment and annexation under Section
17 14.004 must be initiated by a resolution of the board of trustees of
18 each school district involved in the procedure.

19 Sec. 14.006. ELECTION NOT REQUIRED. An election is not
20 required for a consolidation under Section 14.003 or a detachment
21 and annexation under Section 14.004.

22 Sec. 14.007. EFFECTIVE DATE OF TRANSFER. (a) A
23 consolidation under Section 14.003 or a detachment and annexation
24 under Section 14.004 must have an effective date not later than July
25 1, 2016.

26 (b) On the effective date of the transfer:

27 (1) students residing in the transferred territory

1 become residents of the receiving school district;

2 (2) title to property allocated to the receiving
3 district vests in the district;

4 (3) the receiving district assumes any debt allocated
5 to it; and

6 (4) the receiving district assumes jurisdiction of the
7 annexed territory for all other purposes.

8 Sec. 14.008. TERMS OF AGREEMENT. An agreement under
9 Section 14.003 or 14.004 must include, as appropriate:

10 (1) a schedule for electing a board of trustees of the
11 new school district;

12 (2) provisions relating to the title to district
13 property located in an area detached from one district and annexed
14 to another; and

15 (3) provisions relating to allocation of debt in
16 connection with district property located in an area detached from
17 one district and annexed to another.

18 Sec. 14.009. STATUS OF RESULTING DISTRICT. A school
19 district resulting from a consolidation or detachment and
20 annexation under this chapter is an independent school district.

21 Sec. 14.010. ABOLITION OF COUNTY SYSTEM. (a) On the
22 effective date of an agreement under this chapter creating a school
23 district that contains all the territory in a single county that has
24 a county system operating under former Chapter 18 as provided by
25 Section 11.301, the county system is abolished.

26 (b) On the abolition of a county system under this section,
27 all assets and liabilities of the system are transferred to the

1 independent school district for the county.

2 Sec. 14.011. ASSUMPTION OF DEBT. (a) A school district
3 that assumes the indebtedness of another district under this
4 chapter is not required to conduct an election on assumption of the
5 indebtedness. Without an election, the school district assuming the
6 indebtedness may impose and collect taxes necessary to pay
7 principal and interest on the assumed debt so long as the debt is
8 outstanding.

9 (b) Without an election, a school district may issue
10 refunding bonds for bonds of another district assumed under this
11 chapter.

12 Sec. 14.012. TAXING AUTHORITY TRANSFER. If all or part of
13 the territory of a school district is annexed to another district,
14 the receiving district may impose taxes at the rate established in
15 accordance with law for the district as a whole and is not required
16 to conduct an election for the purpose of taxing the territory
17 received.

18 Sec. 14.013. BOUNDARY CHANGES RESULTING IN APPRAISAL
19 DISTRICT CHANGES. (a) This section applies if all or part of
20 territory annexed to a school district is in an appraisal district
21 in which the receiving district does not participate.

22 (b) For the tax year in which the annexation is effective,
23 the receiving district may impose taxes on the basis of:

24 (1) the valuation arrived at by the appraisal district
25 in which the territory is located before the annexation; or

26 (2) the valuation arrived at by a reappraisal
27 requested by the receiving district, and conducted by the appraisal

1 district in which the receiving district participates, in the
2 manner prescribed by Section 25.18(c), Tax Code.

3 Sec. 14.014. ACTION BY COMMISSIONER. (a) If a school
4 district required to enter into a consolidation agreement or
5 detachment and annexation agreement under this chapter fails to do
6 so before May 1, 2016, the commissioner shall enter an order
7 consolidating the school district with another district or
8 detaching territory from the district and annexing the territory to
9 another district so that each county contains:

- 10 (1) a single independent school district; or
11 (2) a single independent school district and one or
12 more special-purpose school districts under Subchapter H, Chapter
13 11.

14 (b) An order under this section may contain any appropriate
15 provision that may be contained in an agreement under Section
16 14.008.

17 Sec. 14.015. EXPIRATION. This chapter expires September 1,
18 2016.

19 SECTION 2. Effective September 1, 2016, Section 11.301(a),
20 Education Code, is amended to read as follows:

21 (a) A school district [~~or county system~~] operating under
22 former Chapter 17, [~~18,~~] 22, 25, 26, 27, or 28 on May 1, 1995, may
23 continue to operate under the applicable chapter as that chapter
24 existed on that date and under state law generally applicable to
25 school districts that does not conflict with that chapter.

26 SECTION 3. Effective September 1, 2016, Section 11.302,
27 Education Code, is amended to read as follows:

1 Sec. 11.302. PUBLIC INFORMATION. The governing body of a
2 school district [~~or county system~~] to which Section 11.301 applies
3 shall make available to the public for inspection and copying
4 during regular operating hours a copy of the provisions under which
5 the district [~~or county system~~] operates that are specific to that
6 type of district [~~or county system~~].

7 SECTION 4. Section 11.354, Education Code, is amended to
8 read as follows:

9 Sec. 11.354. ABOLITION OF SPECIAL-PURPOSE DISTRICT. (a) On
10 the written request signed by a majority of the board of trustees of
11 a military reservation school district, the State Board of
12 Education may abolish the district. The State Board of Education
13 shall give written notice to the board of trustees requesting
14 abolition.

15 (b) Each commissioners court shall annex the territory of
16 the abolished military reservation school district in its county to
17 a contiguous school district in the county.

18 (c) Title to the real property of the abolished military
19 reservation school district vests in the district to which the
20 property is annexed.

21 (d) The school district to which territory from the
22 abolished district is annexed assumes and is liable for the
23 indebtedness of the abolished district.

24 (e) A creditor of an abolished military reservation school
25 district must file the creditor's claim against the district with
26 the commissioners court not later than the 60th day after the
27 effective date on which the military reservation school district is

1 abolished and, if the claim is not allowed, may maintain suit
2 against the abolished military reservation school district as such.
3 Suit must be brought not later than the first anniversary of the
4 date on which the claim is disallowed. Process in a suit, if
5 necessary, may be served on the county judge of each county in which
6 the district was located. The commissioners court shall defend any
7 suit against an abolished military reservation school district but
8 may settle the litigation as the commissioners court considers
9 advisable. This section does not waive any defense available to the
10 abolished district. [~~The territory of the abolished district and~~
11 ~~property of the district shall be disposed of as provided by Section~~
12 ~~13.205.]~~

13 SECTION 5. Section 12.029, Education Code, is amended to
14 read as follows:

15 Sec. 12.029. STATUS OF DISTRICT IN CASE OF ANNEXATION OR
16 CONSOLIDATION. (a) If a school district is annexed to another
17 district under Chapter 14 [~~13~~], and only one of the districts has a
18 home-rule school district status, the status, as a home-rule or
19 other type of school district, of the receiving district is the
20 status for both districts following annexation.

21 (b) Except as provided by Subchapter H, Chapter 41, if two
22 or more school districts having different status, one of which is
23 home-rule school district status, consolidate into a single
24 district, [~~the petition under Section 13.003 initiating the~~
25 ~~consolidation must state~~] the status for the consolidated district
26 is the status of the district with the greatest enrollment. [~~The~~
27 ~~ballot shall be printed to permit voting for or against the~~

1 ~~proposition: "Consolidation of (names of school districts) into a~~
2 ~~single school district governed as (status of school district~~
3 ~~specified in the petition)."]~~

4 SECTION 6. Section 39.102(a), Education Code, is amended to
5 read as follows:

6 (a) If a school district does not satisfy the accreditation
7 criteria under Section 39.052, the academic performance standards
8 under Section 39.053 or 39.054, or any financial accountability
9 standard as determined by commissioner rule, the commissioner shall
10 take any of the following actions to the extent the commissioner
11 determines necessary:

12 (1) issue public notice of the deficiency to the board
13 of trustees;

14 (2) order a hearing conducted by the board of trustees
15 of the district for the purpose of notifying the public of the
16 insufficient performance, the improvements in performance expected
17 by the agency, and the interventions and sanctions that may be
18 imposed under this section if the performance does not improve;

19 (3) order the preparation of a student achievement
20 improvement plan that addresses each student achievement indicator
21 under Section 39.053(c) for which the district's performance is
22 insufficient, the submission of the plan to the commissioner for
23 approval, and implementation of the plan;

24 (4) order a hearing to be held before the commissioner
25 or the commissioner's designee at which the president of the board
26 of trustees of the district and the superintendent shall appear and
27 explain the district's low performance, lack of improvement, and

1 plans for improvement;

2 (5) arrange an on-site investigation of the district;

3 (6) appoint an agency monitor to participate in and
4 report to the agency on the activities of the board of trustees or
5 the superintendent;

6 (7) appoint a conservator to oversee the operations of
7 the district;

8 (8) appoint a management team to direct the operations
9 of the district in areas of insufficient performance or require the
10 district to obtain certain services under a contract with another
11 person;

12 (9) if a district has a current accreditation status
13 of accredited-warned or accredited-probation, fails to satisfy any
14 standard under Section 39.054(e), or fails to satisfy financial
15 accountability standards as determined by commissioner rule,
16 appoint a board of managers to exercise the powers and duties of the
17 board of trustees;

18 (10) if for two consecutive school years, including
19 the current school year, a district has received an accreditation
20 status of accredited-warned or accredited-probation, has failed to
21 satisfy any standard under Section 39.054(e), or has failed to
22 satisfy financial accountability standards as determined by
23 commissioner rule, revoke the district's accreditation and, +

24 ~~[(A) order closure of the district and annex the~~
25 ~~district to one or more adjoining districts under Section 13.054,~~

26 ~~or~~

27 ~~[(B)]~~ in the case of a home-rule school district

1 or open-enrollment charter school, order closure of all programs
2 operated under the district's or school's charter; or

3 (11) if a district has failed to satisfy any standard
4 under Section 39.054(e) due to the district's dropout rates, impose
5 sanctions designed to improve high school completion rates,
6 including:

7 (A) ordering the development of a dropout
8 prevention plan for approval by the commissioner;

9 (B) restructuring the district or appropriate
10 school campuses to improve identification of and service to
11 students who are at risk of dropping out of school, as defined by
12 Section 29.081;

13 (C) ordering lower student-to-counselor ratios
14 on school campuses with high dropout rates; and

15 (D) ordering the use of any other intervention
16 strategy effective in reducing dropout rates, including mentor
17 programs and flexible class scheduling.

18 SECTION 7. Section 41.032, Education Code, is amended to
19 read as follows:

20 Sec. 41.032. CONSOLIDATION AGREEMENT [~~GOVERNING LAW~~]. The
21 agreement among the consolidating districts [~~Except to the extent~~
22 ~~modified by the terms of the agreement, the consolidated district~~
23 ~~is governed by the applicable provisions of Subchapter D, Chapter~~
24 ~~13, other than a provision requiring consolidating districts to be~~
25 ~~contiguous. The agreement] may not be inconsistent with the
26 requirements of this subchapter.~~

27 SECTION 8. Section 41.033(a), Education Code, is amended to

1 read as follows:

2 (a) The agreement among the consolidating districts may
3 include a governance plan designed to preserve community-based and
4 site-based decision making within the consolidated district,
5 including the delegation of specific powers of the governing board
6 of the district other than the power to impose [~~levy~~] taxes. The
7 agreement may include:

8 (1) an effective date that is not more than one year
9 after the date of the consolidation election;

10 (2) a schedule to elect the board of trustees of the
11 consolidated district before or after the effective date of
12 consolidation;

13 (3) a requirement that the consolidated district
14 educate particular grades within the boundaries of a district being
15 consolidated;

16 (4) a requirement that the consolidated district
17 maintain a specific campus in operation;

18 (5) a provision stating that if the votes cast in some
19 districts, but not all districts, show a majority voting in favor of
20 the consolidation, the districts receiving a favorable vote may
21 consolidate;

22 (6) a provision stating that a majority of the votes
23 cast in each district must be in favor of consolidation for there to
24 be a consolidation; or

25 (7) any other provision consistent with state and
26 federal law [~~including a provision authorized by Section~~
27 ~~13.158(b)]].~~

1 SECTION 9. Subchapter B, Chapter 41, Education Code, is
2 amended by adding Sections 41.0331 and 41.0332 to read as follows:

3 Sec. 41.0331. ELECTION. (a) Each board of trustees of a
4 school district that proposes to consolidate under this subchapter
5 shall:

6 (1) issue an order for an election to be held on the
7 same day in each district included in the proposed consolidated
8 district; and

9 (2) give notice of the election.

10 (b) The ballot in the election shall be printed to permit
11 voting for or against the proposition: "Consolidation of (names of
12 school districts) into a single school district."

13 (c) Each board of trustees shall canvass the returns of the
14 election in its district and shall publish the results separately
15 for each district.

16 (d) If the votes cast in all districts show a majority in
17 each district voting in favor of the consolidation, the boards of
18 trustees shall declare the districts consolidated.

19 Sec. 41.0332. TITLE TO PROPERTY; ASSUMPTION OF DEBT. Title
20 to all property of the consolidating districts vests in the
21 consolidated district, and the consolidated district assumes and is
22 liable for the outstanding indebtedness of the consolidating
23 districts.

24 SECTION 10. Section 41.064, Education Code, is amended to
25 read as follows:

26 Sec. 41.064. ALLOCATION OF INDEBTEDNESS. (a) The
27 annexation agreement may allocate to the receiving district any

1 portion of the indebtedness of the district from which the
2 territory is detached, and the receiving district assumes and is
3 liable for the allocated indebtedness.

4 (b) A school district that assumes the indebtedness of
5 another district under this subchapter is not required to conduct
6 an election on assumption of the indebtedness. Without an election,
7 the school district assuming the indebtedness may impose and
8 collect taxes necessary to pay principal and interest on the
9 assumed debt so long as the debt is outstanding.

10 (c) Without an election, a school district may issue
11 refunding bonds for bonds of another district assumed under this
12 subchapter.

13 SECTION 11. Subchapter C, Chapter 41, Education Code, is
14 amended by adding Sections 41.066 and 41.067 to read as follows:

15 Sec. 41.066. TRANSFER. On the effective date of the
16 transfer of territory under this subchapter:

17 (1) students residing in the transferred territory
18 become residents of the receiving school district;

19 (2) title to property allocated to the receiving
20 district vests in the district;

21 (3) the receiving district assumes any debt allocated
22 to it; and

23 (4) the receiving district assumes jurisdiction of the
24 annexed territory for all other purposes.

25 Sec. 41.067. TAXING AUTHORITY TRANSFER. The receiving
26 district may impose taxes at the rate established in accordance
27 with law for the district as a whole and is not required to conduct

1 an election for the purpose of taxing the territory received.

2 SECTION 12. Section 41.096(a), Education Code, is amended
3 to read as follows:

4 (a) After first executing an agreement under this section,
5 the board of trustees shall order and conduct an election[~~, in the~~
6 ~~manner provided by Sections 13.003(d)-(g),~~] to obtain voter
7 approval of the agreement.

8 SECTION 13. Section 41.122(a), Education Code, is amended
9 to read as follows:

10 (a) After first executing an agreement under this
11 subchapter other than an agreement under Section 41.125, the board
12 of trustees of the district that will be educating nonresident
13 students shall order and conduct an election[~~, in the manner~~
14 ~~provided by Sections 13.003(d)-(g),~~] to obtain voter approval of
15 the agreement.

16 SECTION 14. The following provisions of the Education Code
17 are repealed:

- 18 (1) Chapter 13; and
19 (2) Sections 41.007, 41.034(b) and (c), 41.062, and
20 41.253(d).

21 SECTION 15. Effective September 1, 2016, Section 11.303,
22 Education Code, is repealed.

23 SECTION 16. Except as otherwise provided by this Act, this
24 Act takes effect immediately if it receives a vote of two-thirds of
25 all the members elected to each house, as provided by Section 39,
26 Article III, Texas Constitution. If this Act does not receive the
27 vote necessary for immediate effect, this Act takes effect

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1 September 1, 2011, except as otherwise provided by this Act.