

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 21, 2013

TO: Honorable David Dewhurst, Lieutenant Governor, Senate

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1596 by Zaffirini (Relating to the annexation by a municipality of territory of an emergency services district.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 775 of the Health and Safety Code to require a municipality that completes procedures to annex territory in an emergency services district (ESD) and that intends to remove the territory and be the sole provider of emergency services, to send written notice to the board. Upon removal of territory from an annexed ESD, the municipality would be required to compensate the ESD immediately after disannexation in an amount equal to the annexed territory's pro rata share of the ESD's bonded indebtedness. The bill would also specify that certain provisions of the Occupations Code and the Local Government Code relating to multipurpose residential fire protection sprinkler systems and fire codes would apply to a district as defined by the provisions of the bill.

The bill would amend Chapter 43 of the Local Government Code to specify that an annexation plan may provide that required fire and police protection, and emergency medical services be provided by the ESD or by cooperation of the municipality and the ESD. Under the provisions of the bill, this subsection would apply only to a municipality in a county with a population of more than one million and less than 1.5 million. Based on the applicability criteria, the provisions would apply only to a municipality in Travis County.

Local Government Impact

There could be costs to a municipality that annexes and removes a territory from an ESD for compensation; however, the amounts would vary depending on the territory's pro rata share.

The Travis County ESD #6 indicated no fiscal impact is anticipated.

The City of Lakeway indicated that there may be costs for providing services in a newly annexed territory, those amounts would be offset by additional revenue from sales and use taxes. The fiscal impact for costs and revenue collected would vary depending on the area being annexed and could not be estimated until all aspects of the annexation are known.

Source Agencies:

LBB Staff: UP, KKR, SD, TP

