

BILL ANALYSIS

Senate Research Center

S.B. 1579
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1579 amends the Health and Safety Code to allow an existing emergency services district board to call an election to decide if it should separate the functions of fire protection and suppression services and emergency medical services. Current law allows for the correction of issues with overlapping districts where portions of an emergency service district (ESD) might overlap another ESD due to an error or other event that resulted in an overlapped area. However, the law was not intended to provide for an ESD to separate its functions. Interested parties note the current ESD statute (Section 775.018) excludes Harris County ESDs from separating because it does not apply to proposed districts located wholly in counties with a population of more than three million. Interested parties note that separation of ESDs is needed due to the costs and administrative issues associated with trying to run both services as one ESD. This would allow emergency to operate in manner that is more efficient in comparison to their current operation.

S.B. 1579 seeks to solve this problem by allowing for the separation of ESDs by providing the authority and guidance to the board of emergency services commissioners about how assets can be most efficiently transferred between the two overlapping areas that are intended to serve the same members of the community. While there are sections of Chapter 775 that allow a new petition process through the county, this bill would allow the ESD board to go directly to the voters. This process could be more efficient as it would allow for an orderly separation of the management of services and dividing assets among the new and old districts. This bill would not force a separation of services on districts, but rather allow taxpayers to approve this via an election held by the ESD.

As proposed, S.B. 1579 amends current law relating to the separation of services provided by an emergency services district.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 775, Health and Safety Code, by adding Sections 775.0206 and 775.0207, as follows:

Sec. 775.0206. SEPARATION OF DISTRICT SERVICES. (a) Authorizes a district created to perform both fire prevention and emergency medical services to separate into two completely overlapping districts as provided by this section. Requires the board of the original district, before separation, to:

- (1) determine that separation would allow the resulting districts to provide services more economically and efficiently; and
- (2) adopt an order of separation that includes:
 - (A) the names of the two resulting districts;

(B) the services to be provided by each district;

(C) the proposed date on which the original district will cease to provide one service and the newly created district will begin to provide that service; and

(D) a statement that the original district will be separated into two completely overlapping districts only if a majority of the residents of the original district approve the separation in an election held for that purpose.

(a-1) Requires the notice of the election to separate district services, subject to Section 4.003 (Method of Giving Notice), Election Code, to be given in the same manner as the notice of a petition hearing under Section 775.015 (Filing of Petition and Notice of Hearing).

(b) Requires an election to separate district services to be held on a uniform election date as described by Section 775.018(e) (relating to when the election is to be held).

(c) Provides that no public hearing is required prior to ordering an election to separate district services.

(d) Requires commissioners serving on the board of the original district to serve out their terms according to Section 775.034 (Appointment of Board in District Located Wholly in One County), 775.0341 (Appointment of Board in Certain Districts Located in More Than in One County), 775.0345 (Election of Board in Certain Counties), or 775.035 (Election of Board in District Located in More Than One County), as applicable.

(e) Requires the board of the original district, for a newly created district to which Section 775.034 or 775.0341 applies, to appoint the initial board of the newly created district. Provides that the appointed commissioners will serve until December 31 of the year the new district is created. Requires the commissioners court to then appoint commissioners for a full term under Section 775.034 or 775.0341, as applicable.

(f) Requires the board of the original district, for a newly created district to which Section 775.0345 or 775.035 applies, to appoint the initial board of the newly created district. Provides that the appointed commissioners will serve until the next election date of the commissioners of the original district. Requires the board of the original district to hold an election for both the board of the original district and the board of the new district on the election date of the original district's commissioners according to the requirements of Section 775.0345 or 775.035, as applicable. Requires the five commissioner positions on each board to be filled at the election held by the original district. Provides that for each board, the three elected commissioners receiving the most votes will serve four-year terms and the two elected commissioners receiving the fewest votes will serve two-year terms. Requires each district, after the initial election to separately hold an election on the dates and in the manner described by Section 775.0345 or 775.035, as applicable.

(g) Authorizes the boards of the two districts, within two years after the election held to separate the district under this section, to transfer any real or personal property or any indebtedness between the districts to promote the delivery of services provided by each district.

(h) Requires the newly created district, if any bonded debt was held by the original district before the election held under this section, to annually pay to the original district an amount equal to one-half of the original district's annual debt obligations.

(i) Requires districts resulting from a separation under this section to comply with Section 775.020 (Overlapping Districts Located Wholly in Populous County) or 775.0205 (Overlapping Districts), as appropriate.

Sec. 775.0207. TAXES FOR SEPARATED DISTRICTS. Requires the effective tax rate and rollback tax rate, as those terms are defined by Section 26.04 (Submission of Roll to Governing Body; Effective Rollback Tax Rates), Tax Code, of each resulting district, for the first tax year after separation, to be calculated based on the most recently adopted tax rate of the original district. Requires the rates, for each subsequent tax year, to be calculated based on the tax rate adopted in the prior year by the board of each district according to the requirements of the Tax Code.

SECTION 2. Effective date: September 1, 2019.