By:  Zaffirini S.B. No. 1083

A BILL TO BE ENTITLED

AN ACT

relating to compensation to be paid to an emergency services district for a municipality's annexation of the district's territory.

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

SECTION 1.  Section 775.022, Health and Safety Code, is amended by amending Subsections (c) and (e) and adding Subsection (e-1) to read as follows:

(c)  If a municipality removes territory from a district that the municipality has annexed, the municipality shall compensate the district immediately after disannexation of the territory under Subsection (a) in an amount equal to the annexed territory's pro rata share of the district's bonded and other indebtedness as computed according to the formula in Subsection (e) or (e-1), whichever yields the greater amount. The district shall apply compensation received from a municipality under this subsection exclusively to the payment of the annexed territory's pro rata share of the district's bonded and other indebtedness.

(e)  Unless Subsection (e-1) would yield a greater amount, the [~~The~~] amount of compensation under Subsection (c) shall be determined by multiplying the district's total indebtedness at the time of the annexation by a fraction the numerator of which is the assessed value of the property to be annexed based on the most recent certified county property tax rolls at the time of annexation and the denominator of which is the total assessed value of the property of the district based on the most recent certified county property tax rolls at the time of annexation.

(e-1)  Unless Subsection (e) would yield a greater amount, the amount of compensation under Subsection (c) shall be determined by multiplying the district's total indebtedness at the time of the annexation by a fraction:

(1)  the numerator of which is the assessed value of the property to be annexed based on the most recent certified county property tax rolls at the time of annexation plus the total amount of the district's sales and use tax revenue collected by retailers located in the property to be annexed in the 12 months preceding the date of annexation, as reported by the comptroller; and

(2)  the denominator of which is the total assessed value of the property of the district based on the most recent certified county property tax rolls at the time of annexation plus the total amount of the district's sales and use tax revenue collected by retailers located in the district in the 12 months preceding the date of annexation, as reported by the comptroller.

SECTION 2.  Section 8437.002(d), Special District Local Laws Code, is amended to read as follows:

(d)  Sections 775.022(b), (c), (d), (e), (e-1), and (f), Health and Safety Code, apply to a disannexation under this section, as if the disannexation occurred under the provisions of Section 775.022(a), Health and Safety Code.

SECTION 3.  Section 9036.002(d), Special District Local Laws Code, is amended to read as follows:

(d)  Sections 775.022(b), (c), (d), (e), (e-1), and (f), Health and Safety Code, apply to a disannexation under this section, as if the disannexation occurred under the provisions of Section 775.022(a), Health and Safety Code.

SECTION 4.  Section 9042.002(d), Special District Local Laws Code, is amended to read as follows:

(d)  Sections 775.022(b), (c), (d), (e), (e-1), and (f), Health and Safety Code, apply to a disannexation under this section, as if the disannexation occurred under the provisions of Section 775.022(a), Health and Safety Code.

SECTION 5.  This Act takes effect September 1, 2019.