

By: Zaffirini

S.B. No. 1083

A BILL TO BE ENTITLED

1 AN ACT
2 relating to compensation to be paid to an emergency services
3 district for a municipality's annexation of the district's
4 territory.

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

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

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

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

1 annexation and the denominator of which is the total assessed value
2 of the property of the district based on the most recent certified
3 county property tax rolls at the time of annexation.

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

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

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

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

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

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

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

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

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

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