

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 Subsections (e-1) and (g) 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

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 (g) The amount of compensation under Subsection (c) shall be
21 determined under Subsection (e) regardless of whether Subsection
22 (e-1) would yield a greater amount if:

23 (1) the municipality is a municipality described by
24 Section 775.014(h); and

25 (2) the municipality and the district enter into an
26 agreement on or before September 1, 2019, regarding the district's
27 bonded and other indebtedness.

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

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

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

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

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

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

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

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1083 passed the Senate on April 26, 2019, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendment on May 25, 2019, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1083 passed the House, with amendment, on May 22, 2019, by the following vote: Yeas 143, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor