

By: Zaffirini, et al.  
(Rodriguez)

S.B. No. 1083

A BILL TO BE ENTITLED

AN ACT

1  
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.