

By: Cortez

H.B. No. 4717

A BILL TO BE ENTITLED

AN ACT

relating to authorizing an emergency services district to impose an ad valorem tax for the acquisition of land, equipment, or apparatus or the construction of capital improvements.

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

SECTION 1. Section 775.018(a), Health and Safety Code, is amended to read as follows:

(a) On the granting of a petition, the commissioners court shall order an election to confirm the district's creation and authorize the imposition of the taxes provided and ~~[a tax]~~ not to exceed the rates ~~[rate]~~ allowed by Section 48-e, Article III, Texas Constitution. Any conditions negotiated under Section 775.014(h) must be included on the ballot.

SECTION 2. The heading to Section 775.074, Health and Safety Code, is amended to read as follows:

Sec. 775.074. AD VALOREM TAXES ~~[TAX]~~.

SECTION 3. Section 775.074, Health and Safety Code, is amended by amending Subsection (a) and adding Subsections (a-1), (a-2), and (a-3) to read as follows:

(a) The board shall annually impose an ad valorem tax on all real and personal property located in the district and subject to district taxation for the operating and capital ~~[district's]~~ support of the district ~~[and the purposes authorized by this chapter]~~.

1 (a-1) In addition to the ad valorem tax authorized under
2 Subsection (a), the board, after its establishment following an
3 election held under Section 775.018 and subject to Section
4 775.0745(a-1), shall annually impose an additional ad valorem tax
5 on all real and personal property in the district that is subject to
6 district taxation for the exclusive purposes of the acquisition of
7 land, equipment, or apparatus or the construction of capital
8 improvements, as described in the capital improvements plan filed
9 under Subsection (a-2). The board may use the tax for any related
10 purpose or pledge the revenue from the tax to pay the principal of
11 and interest on any bonds or notes issued or other indebtedness,
12 including loans and other financial arrangements described by
13 Section 775.085, to acquire land, equipment, or apparatus or to
14 construct capital improvements under this section, as the interest
15 and principal come due and to provide reserve funds if prescribed in
16 the resolution authorizing or the trust indenture securing the
17 bonds, notes, or other indebtedness. The revenue from the tax
18 authorized under this subsection shall be maintained in an account
19 separate from the maintenance and operations funds of the district.
20 A tax authorized by an election held under Section 775.0745(a-1)
21 may not be imposed on or after the date that:

22 (1) the purchase price of the capital assets as
23 provided by the capital improvements plan is paid in full; and

24 (2) the bonds, notes, or other indebtedness, including
25 loans and other financial arrangements described by Section
26 775.085, as authorized by the capital improvements plan, are paid
27 in full.

1 (a-2) The district may impose the tax under Subsection (a-1)
2 only if imposition of the tax is approved by the district voters
3 voting in an election held under Section 775.0745. At least 30 days
4 before the date the board orders an election to authorize the
5 additional tax described by Subsection (a-1), the district shall
6 file in the administrative office of the district a capital
7 improvements plan that is open to public inspection and that
8 describes the planned acquisition of land, equipment, or apparatus
9 or the planned construction of the capital improvements and their
10 estimated cost and incidental expenses. The capital improvements
11 plan is not:

12 (1) part of a proposition to be voted on; or

13 (2) a contract with the voters.

14 (a-3) In addition to any other information required by law,
15 notice of an election to authorize the additional tax described by
16 Subsection (a-1) must contain a copy of each proposition that will
17 be voted on at the election. The notice must include an estimate of
18 the probable cost of land, equipment, or apparatus or the
19 construction of capital improvements contained in the capital
20 improvements plan filed under Subsection (a-2) and any incidental
21 expenses connected with the issuance of bonds, notes, or other
22 indebtedness.

23 SECTION 4. The heading to Section 775.0745, Health and
24 Safety Code, is amended to read as follows:

25 Sec. 775.0745. ELECTION TO INCREASE TAX RATE OR IMPOSE TAX.

26 SECTION 5. Section 775.0745, Health and Safety Code, is
27 amended by adding Subsection (a-1) to read as follows:

1 (a-1) If the board decides to increase a tax imposed under
2 Section 775.074(a-1) to any rate above the rate approved by the
3 voters under Section 775.074(a-2), the board must order an election
4 to authorize the tax rate increase. Notwithstanding Subsection
5 (c), the board must hold the election on the uniform election date
6 in November. The proposition on the ballot must state the proposed
7 tax rate to be authorized at the election and the notice for the
8 election must conform to the requirements prescribed by Subsection
9 (b) and Section 775.074(a-3).

10 SECTION 6. This Act takes effect January 1, 2024, but only
11 if the constitutional amendment proposed by the 88th Legislature,
12 Regular Session, 2023, to authorize an emergency services district
13 to impose an ad valorem tax on property situated in the district not
14 to exceed five cents for the acquisition of land, equipment, or
15 apparatus or the construction of capital improvements is approved
16 by the voters. If the proposed amendment is not approved by the
17 voters, this Act has no effect.