

BILL ANALYSIS

H.B. 1547
By: Gates
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Counties have the ability to create county assistance districts within their boundaries to collect sales taxes, the revenue of which may be used to perform certain limited functions, including law enforcement and county road maintenance. However, municipalities are also permitted to unilaterally exclude territory from a proposed county assistance district that is outside the city's corporate limits but within the city's extraterritorial jurisdiction, despite the fact that residents within the extraterritorial jurisdiction do not pay city taxes and are not represented by the municipality. There have been calls to ensure that the authority to levy these sales taxes resides in the hands of county officials who were duly elected by those being assessed the additional sales taxes, as opposed to municipal officials who do not represent the interests of residents within their extraterritorial jurisdiction. H.B. 1547 seeks to remedy this situation by restricting the territory that the governing body of a municipality may exclude from a proposed county assistance district.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1547 amends the Local Government Code to restrict the territory that the governing body of a municipality may exclude from a proposed county assistance district to the incorporated territory of the municipality and to prohibit the governing body of a municipality from excluding any territory in the municipality's extraterritorial jurisdiction from such a proposed district. The bill removes the authorization for excluded municipal territory to be subsequently included in a district via an applicable election.

H.B. 1547 requires a county assistance district, on a certain date, to exclude from the district territory annexed for full purposes by a municipality under the following conditions:

- the district has no outstanding bonds payable wholly or partly from sales and use taxes and the exclusion does not impair any outstanding district debt or contractual obligation; and
- the municipality provides notice to the district that full municipal services will be provided to the annexed territory by a specific date and requests that the district exclude the annexed territory from the district's territory.

EFFECTIVE DATE

September 1, 2021.