

## **BILL ANALYSIS**

Senate Research Center

S.B. 1015  
By: Creighton  
Intergovernmental Relations  
6/2/2017  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Chapter 88, Acts of the 80th Legislature, Regular Session, 2007 (the RPA Act), added Section 43.0754, Local Government Code, to authorize certain political subdivisions located within the extraterritorial jurisdiction of one or more municipalities to enter into a regional participation agreement with the municipality (or municipalities) for the purpose of regional funding of joint use and/or joint benefit programs or projects. The RPA Act further provided that a regional participation agreement may include terms relative to release of territory from the extraterritorial jurisdiction of the municipality and the consent of the municipality to the incorporation of, or adoption of an alternate form of government by, all or part of the territory of the political subdivision. This Act will add Section 43.0755, Local Government Code, to provide specific procedures for the incorporation or establishment of an alternate form of local government for areas subject to a regional participation agreement. (Original Author's / Sponsor's Statement of Intent)

S.B. 1015 amends current law relating to procedures for incorporation or establishment of another form of local government for certain areas subject to a regional participation agreement.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter D, Chapter 43, Local Government Code, by adding Section 43.0755, as follows:

Sec. 43.0755. PROCEDURES FOR INCORPORATION OR ESTABLISHMENT OF ANOTHER FORM OF LOCAL GOVERNMENT FOR CERTAIN AREAS SUBJECT TO REGIONAL PARTICIPATION AGREEMENT. (a) Defines "district," "eligible municipality," and "regional participation agreement."

(b) Provides that this section applies only to a district and an eligible municipality that have entered into a regional participation agreement under Section 43.0754 (Regional Participation Agreements) that authorizes any of the actions described by Section 43.0754(c)(6), (7), or (8) (relating to the powers of regional participation agreements).

(c) Authorizes the governing body of a district (governing body), notwithstanding any other law, including laws prescribing population or territorial requirements for incorporation under Section 5.901 (Territorial Requirements for Incorporation as General-Law Municipality), 6.001 (Authority to Incorporate as Type A General-Law Municipality), 7.001 (Authority to Incorporate as Type B General-Law Municipality), or 8.001 (Authority to Incorporate as Type C General-Law Municipality), to order an election as provided by this subsection to be held on a uniform election date prescribed by Section 41.001 (Uniform Election Dates), Election Code. Authorizes an election under this subsection to, consistent with the regional participation agreement, be ordered for the purpose of:

(1) submitting to the qualified voters of the district the question of whether the territory of the district should be incorporated as a municipality;

(2) submitting to the qualified voters of a designated area of the district the question of whether that designated area should be incorporated as a municipality;

(3) submitting to the qualified voters of the district the question of whether the territory of the district should adopt a specific alternate form of local government other than a municipality; or

(4) submitting to the qualified voters of a designated area of the district the question of whether that designated area should adopt a specific alternate form of local government other than a municipality.

(d) Provides that, notwithstanding any other law, the authority of the governing body to order an election under Subsection (c) is separate and independent and is the exclusive means of ordering any such election. Authorizes, notwithstanding any other law, all or any part of the territory of a district to be incorporated as a Type A, Type B, or Type C municipality, as determined by the governing body ordering the incorporation election under Subsection (c)(1) or (2). Provides, notwithstanding any other law, that the requirements of Sections 7.002 (Application to Incorporate) and 8.002 (Petition to Incorporate) do not apply to an election ordered under Subsection (c)(1) or (2).

(e) Authorizes the governing body, in an election ordered under Subsection (c)(2) or (4), to order elections in multiple designated areas on the same date or order elections in designated areas periodically on a uniform election date.

(f) Requires the governing body, in any election ordered under Subsection (c), to also submit for confirmation to the voters voting in the election the proposed initial property tax rate determined for the municipality or alternate form of government, as applicable, which is prohibited from exceeding the maximum rate authorized by law. Requires that the ballot in an election held under Subsection (c) be printed to permit voting for or against a certain proposition and sets forth the text of that proposition.

(g) Authorizes the governing body, in any election ordered under Subsection (c), to also submit to the voters voting in the election any other measure the governing body considers necessary and convenient to effectuate the transition to a municipal or alternate form of local government, including a measure on the question of whether, on incorporation as a municipality or establishment of an alternate form of local government, any rights, powers, privileges, duties, purposes, functions, or responsibilities of the district or the district's authority to issue bonds and impose a tax is transferred to the municipality or alternate form of local government.

(h) Requires the county judge of the county in which the municipality or alternate form of local government is located, if a majority of the voters voting in an election under Subsection (c)(2) or (4) approve the proposition submitted on the form of local government, to order an election for the governing body of the municipality or alternate form of local government to be held on a date that complies with the provisions of the Election Code, except that Section 41.001(a) (relating to uniform election dates for general or special elections), Election Code, does not apply. Provides that a municipality or alternate form of local government resulting from an election described by this subsection is incorporated or established on the date a majority of the members of the governing body qualify and take office.

(i) Provides that if a majority of the voters voting in an election under Subsection (c)(1) or (3) approve the proposition submitted on the form of local government, the district is dissolved and the governing body will serve as the temporary governing body of the municipality or alternate form of local government until a permanent governing body is elected as provided by Subsection (j).

(j) Requires the temporary governing body under Subsection (i) to order an election to elect the permanent governing body of the municipality or alternate form of local government to occur on a date that complies with the provisions of the Election Code, except that Section 41.001(a), Election Code, does not apply.

(k) Requires that an election ordered under Subsection (h) or (j) to elect members of the governing body of a municipality be held under the applicable provisions of Chapter 22 (Aldermanic Form of Government in Type A General-Law Municipality), Chapter 23 (Aldermanic Form of Government in Type B General-Law Municipality), or Chapter 24 (Commission Form of Government in General-Law Municipality), to the extent consistent with this section. Requires that an election for members of the governing body of an alternate form of government be held under the law applicable to that form of government, to the extent consistent with this section.

(l) Provides that if a majority of the voters voting in an election under Subsection (c)(1) or (3) approve the proposition submitted on the form of local government for the territory of the district, the assets, liabilities, and obligations of the district are transferred to the form of government approved at the election.

(m) Provides that if a majority of the voters voting in an election under Subsection (c)(2) or (4) approve the proposition submitted on the form of local government in a designated area of the district and if, on the date of the election approving the form of local government, the district owes any debts, by bond or otherwise, the designated area is not released from its pro rata share of the indebtedness.

(n) Provides that for purposes of determining the initial tax rate of a municipality or an alternate form of local government, the tax rate of the district when the territory incorporated or established as an alternate form of government was part of the district is not considered for purposes of the calculations required by Section 26.04(c) (relating to a designated officer or employee calculating certain tax rates), Tax Code.

SECTION 2. Effective date: upon passage or September 1, 2017.