BILL ANALYSIS

Senate Research Center 88R23344 MCF-D

H.B. 1775 By: Thompson, Ed (Eckhardt) Local Government 5/20/2023 Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In Brazoria County and other counties with emergency services districts with appointed boards of emergency services commissioners, when issues arise with a district, residents are directed to the county commissioners court. The commissioners court, despite its appointment authority of emergency services commissioners, has no power to direct or enforce district actions. These districts are growing and expanding far beyond the rural county service supplements they were originally designed to be. The level of accountability provided by an appointing county commissioners court is insufficient for the size and powers of modern districts. In some cases, unelected emergency services commissioners levy property taxes, sales taxes, and manage budgets exceeding \$40 million. Further, in certain instances, an emergency services commissioner may be appointed to two districts at the same time.

H.B. 1775 seeks to provide stronger accountability for emergency services commissioners by requiring the commissioners court of the county in which certain districts are located, after a district is created and initial emergency services commissioners are appointed, to choose whether the board of emergency services commissioners will be elected or the commissioners court will approve the district's annual budget and tax rate.

H.B. 1775 amends current law relating to the oversight and election of board members for certain emergency services districts.

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 Sections 775.024(c) and (h), Health and Safety Code, as follows:

- (c) Provides that if the boards do not make the appointments before the 31st day after the date the boards adopted the joint order:
 - (1) for a consolidated district to which Section 775.353 does not apply, the commissioners court is required to appoint five commissioners to the board of the consolidated district; or
 - (2) for a consolidated district to which Section 775.353 does apply, the board of the consolidated district is initially composed of the two commissioners from each existing board who have served the longest terms.
- (h) Provides that the initial commissioners of the consolidated district, for a consolidated district to which Section 775.353 applies, serve until the next available uniform election date after the date the joint order is adopted and that allows sufficient time to comply with other requirements of law. Makes a conforming change.

SECTION 2. Amends the heading to Section 775.034, Health and Safety Code, to read as follows:

Sec. 775.034. APPOINTMENT OF BOARD IN CERTAIN DISTRICTS LOCATED WHOLLY IN ONE COUNTY.

SECTION 3. Amends Section 775.034(h), Health and Safety Code, to provide that this section does not apply to a district to which Section 775.353 applies or to a district located wholly in a county that meets certain population requirements.

SECTION 4. Amends Sections 775.0445(b) and (d), Health and Safety Code, as follows:

- (b) Provides that Section 775.0445 (Vacancy on Board of District Located in Certain Counties) applies only to a district to which Section 775.353 applies or to a district located wholly in a county that meets certain population requirements.
- (d) Provides that a person appointed under this section is required to be eligible to serve under Section 775.0345 (Election of Board in Certain Counties) or 775.353, as applicable.

SECTION 5. Amends Chapter 775, Health and Safety Code, by adding Subchapter L, as follows:

SUBCHAPTER L. COMMISSIONERS COURT OVERSIGHT AND ELECTION OF BOARD IN CERTAIN COUNTIES

Sec. 775.351. APPLICABILITY. Provides that this subchapter applies only to a district that is located wholly in one county with a population of more than 200,000. Provides that this subchapter does not apply to a district described by Section 775.0345(a) (relating to providing that this section applies only to a district located wholly in a county that meets certain population requirements) or 775.302(a) (relating to providing that this subchapter applies only to a district that is located wholly in a county that borders the United Mexican States, that has a population of more than 800,000, and for which the commissioners court appoints a board of emergency services commissioners under a certain section).

Sec. 775.352. CHOICE OF OVERSIGHT OPTION. (a) Requires the commissioners court of the county in which the district is located, after a district is created and initial emergency services commissioners are appointed under Section 775.034, to choose whether:

- (1) the board will be elected in the manner provided by Section 775.353; or
- (2) the commissioners court will approve the annual budget and tax rate of the district in the manner provided by Section 775.354.
- (b) Authorizes a commissioners court that initially chooses to approve district budgets and tax rates under Subsection (a)(2) to at any time instead choose to require that the board of the district be elected under Subsection (a)(1). Prohibits a commissioners court that chooses to require that a district's board be elected under Subsection (a)(1) from approving the district's budgets and tax rates under Subsection (a)(2).

Sec. 775.353. ELECTION OF BOARD. (a) Provides that this section applies only to a district required to have an elected board under Section 775.352.

(b) Provides that the governing body of a district consists of a five-person board of emergency services commissioners elected at large from the district as prescribed by this section. Provides that emergency services commissioners serve staggered four-year terms.

- (c) Requires a person, to be eligible to be a candidate for emergency services commissioner, to be at least 18 years of age and a resident of the district.
- (d) Requires a candidate for emergency services commissioner on an initial elected board to give the voter registrar of the county a sworn notice of the candidate's intention to run for office. Requires that the notice state the person's name, age, and address and state that the person is serving notice of intent to run for emergency services commissioner. Requires the voter registrar of the county, on receipt of the notice, to have the candidate's name placed on the ballot.
- (e) Requires the voter registrar of the county to appoint an election judge to certify the results of the election.
- (f) Requires the voter registrar or deputy registrar of the county, after the election is held, to prepare a sworn statement of the election costs incurred by the county. Requires that the statement be given to the newly elected board, which is required to order the appropriate official to reimburse the county for the county's election costs.
- (g) Provides that the initial emergency services commissioners' terms of office begin 30 days after canvassing of the election results. Provides that the two commissioners who received the fewest votes serve a term that expires on January 1 of the third year following the year in which the election was held. Provides that the other emergency services commissioners serve terms that expire on January 1 of the fifth year following the year in which the election was held.
- (h) Requires the county judge, after the commissioners court requires the district's board to be elected under Section 775.352, to order an election to be held in the district to elect the initial emergency services commissioners on the next November uniform election date under Section 41.001 (Uniform Election Dates), Election Code, held in an even-numbered year. Requires the board, after the initial election, to hold the general election for the appropriate number of commissioners in each even-numbered year on the November uniform election date under Section 41.001, Election Code. Requires that an election under this subsection be held jointly with the county under Chapter 271 (Joint Elections), Election Code.
- (i) Provides that Subchapter C (Write-In Candidate in City Election), Chapter 146, Election Code, applies to a write-in candidate for emergency services commissioner under this section in the same manner it applies to a write-in candidate for a city office under that subchapter.

Sec. 775.354. BUDGET AND TAX RATE APPROVAL. (a) Provides that this section applies only to a district the annual budget and tax rate of which are required to be approved by the commissioners court of the county in which the district is located under Section 775.352.

- (b) Requires the commissioners court to adopt a schedule for the district to submit to the county for final approval the district's annual budget, tax rate calculations and notices, and recommended tax rate.
- (c) Requires that the schedule take into account requirements of Chapter 775 (Emergency Service Districts), Chapter 26 (Assessment), Tax Code, and Section 21 (Increase in Total Amount of Property Taxes Imposed Prohibited Without Notice and Hearing; Calculation and Notice to Property Owners), Article VIII (Taxation and Revenue), Texas Constitution, applicable to adopting a district tax rate, and requires that the schedule provide a reasonable amount of time for the commissioners court to review the submissions required by Subsection (d).

- (d) Requires the board, in accordance with the schedule adopted under this section, to submit to the commissioners court the district's annual budget, tax rate calculations and notices, and recommended tax rate.
- (e) Provides that a commissioners court, if the commissioners court does not approve or deny a budget submitted under this section before the 31st day after the date the budget is submitted, is considered to have approved the budget.
- (f) Provides that a commissioners court, if the commissioners court does not approve or deny a tax rate recommended under this section before the 31st day after the date the recommended tax rate is submitted, is considered to have approved the recommended tax rate.
- (g) Prohibits the district, if a commissioners court denies the annual budget submitted under Subsection (d), from making expenditures under that budget except for an obligation incurred before the beginning of the fiscal year for which the budget was submitted.
- (h) Prohibits the district, if a commissioners court denies the tax rate submitted under Subsection (d), from imposing the tax at a rate greater than that imposed in the fiscal year preceding the one for which the tax rate was submitted.

SECTION 6. Provides that the commissioners court of a county in which an emergency services district created before the effective date of this Act and to which Section 775.352, Health and Safety Code, as added by this Act, applies is located, as soon as practicable after the effective date of this Act, but not later than January 1, 2024, to choose whether the board of emergency services commissioners will be elected or the commissioners court will approve the annual budget and tax rate as required by Section 775.352, Health and Safety Code, as added by this Act.

SECTION 7. Provides that this Act does not prohibit a person who is a member of a board of emergency services commissioners on the effective date of this Act and who was appointed under Section 775.034, Health and Safety Code, from running for election to the board if the person has the qualifications required for a member under Section 775.353, Health and Safety Code, as added by this Act.

SECTION 8. Effective date: September 1, 2023.