

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 535
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Intergovernmental Relations
3/18/1999
Committee Report (Substituted)

DIGEST

Currently, the Humble Independent School District was annexed in the middle of a fiscal year, which prohibited any financial planning to account for increased utility rates and costs incurred related to compliance with the City of Houston's building code requirements. C.S.S.B. 535 would require written notification describing the area in the school district to be affected by the annexation, and describing the financial impact on the district, including utility costs, and any proposal to abate, reduce, or limit the impact.

PURPOSE

As proposed, C.S.S.B. 535 requires written notification describing the area in a public school district to be affected by a municipal annexation, and the financial impact on the district.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 43Z, Local Government Code, by adding Section 43.905, as follows:

Sec. 43.905. EFFECT OF ANNEXATION ON OPERATION OF SCHOOL DISTRICT. Requires a municipality that proposes to annex an area to provide written notice of the proposed annexation to each public school district located in the area proposed to be annexed within the time period prescribed for publishing the notice of the first hearing under Section 43.05. Requires the notice to a public school district to contain a description of the area to be annexed, any financial impact, and any proposal to abate, reduce, or limit financial impact on the district. Prohibits the municipality from proceeding with the annexation, unless the city provides the required notice. Requires a municipality that has annexed any portion of an area after December 1, 1996, and before September 1, 1999, in which a school district has a facility to grant a variance from the municipality's building code for that facility, if the facility does not comply with the code. Authorizes a municipality that, as a result of the annexation, begins to provide utility services to a facility of a school district, to only charge the district for utility services at the same rate that the district was paying before the annexation, or a lower municipal rate. Provides that a rate set under Subsection (e) is effective until the beginning of the first school district fiscal year that begins after the 90th day following the effective date of the annexation.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Adds Subsections (e) and (f), to Section 43.905, Local Government Code, to authorize a municipality that, as a result of the annexation, begins to provide utility services to a facility of a school district, to only charge the district for utility services at the same rate that the district was paying before the annexation, or a lower municipal rate. Provides that a rate set under Subsection (e) is effective until the beginning of the first school district fiscal year that begins after the 90th

day following the effective date of the annexation.