

By: Schofield

H.B. No. 2364

A BILL TO BE ENTITLED

AN ACT

relating to the extraterritorial jurisdiction of and municipal annexation by certain municipalities.

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

SECTION 1. Subchapter A, Chapter 42, Local Government Code, is amended by adding Section 42.0015 to read as follows:

Sec. 42.0015. INAPPLICABILITY OF CERTAIN PROVISIONS TO CERTAIN MUNICIPALITIES. (a) Sections 42.022, 42.023, and 42.041 do not apply to a municipality with a population of more than 1.8 million.

(b) This section expires September 1, 2026.

SECTION 2. Effective September 1, 2026, Subchapter A, Chapter 42, Local Government Code, is amended by adding Section 42.002 to read as follows:

Sec. 42.002. INAPPLICABILITY OF CHAPTER TO CERTAIN MUNICIPALITIES. This chapter does not apply to a municipality with a population of more than 1.8 million.

SECTION 3. Section 42.021, Local Government Code, is amended by adding Subsection (e) to read as follows:

(e) This subsection applies only to a municipality with a population of 1.8 million or more. For the purpose of determining the extraterritorial jurisdiction of a municipality to which this subsection applies, only the territory of the municipality within the defined boundaries of the municipality that is receiving full

1 municipal police and fire protection services is considered to be
2 within the corporate boundaries of the municipality. The
3 extraterritorial jurisdiction of the municipality is the
4 unincorporated area that is located within five miles of the
5 corporate boundaries of the municipality as determined under this
6 subsection, provided that the unincorporated area is contiguous to
7 the defined boundaries of the municipality and not within the
8 extraterritorial jurisdiction of another municipality. This
9 subsection expires September 1, 2026.

10 SECTION 4. Section 42.902, Local Government Code, is
11 amended to read as follows:

12 Sec. 42.902. RESTRICTION AGAINST IMPOSING TAX IN
13 EXTRATERRITORIAL JURISDICTION. (a) The inclusion of an area in the
14 extraterritorial jurisdiction of a municipality does not by itself
15 authorize the municipality to impose a tax in the area.

16 (b) This subsection expires September 1, 2026. A
17 municipality with a population of 1.8 million or more may not impose
18 a tax in the extraterritorial jurisdiction of the municipality
19 unless:

20 (1) the municipality is otherwise authorized by law to
21 impose the tax in the extraterritorial jurisdiction; and

22 (2) the municipality provides police and fire
23 protection within the extraterritorial jurisdiction.

24 SECTION 5. Subchapter A-1, Chapter 43, Local Government
25 Code, is amended by adding Section 43.018 to read as follows:

26 Sec. 43.018. LIMITATIONS RELATED TO ANNEXATION AUTHORITY OF
27 CERTAIN MUNICIPALITIES. (a) This section applies only to a

1 municipality with a population of 1.8 million or more.

2 (b) Notwithstanding any other provision of law, including
3 Sections 42.021 and 43.056, and subject to Subsection (c):

4 (1) on September 1, 2026, the area located in the
5 extraterritorial jurisdiction of a municipality to which this
6 section applies is released from the municipality's
7 extraterritorial jurisdiction;

8 (2) beginning on September 1, 2026, a municipality to
9 which this section applies:

10 (A) does not have and may not acquire
11 extraterritorial jurisdiction over any area; and

12 (B) is prohibited from annexing any area; and

13 (3) not later than September 1, 2026, a municipality
14 to which this section applies must:

15 (A) provide or cause the provision of full
16 municipal services as defined by Section 43.056(c), including
17 police and fire protection, to all areas annexed by the
18 municipality; or

19 (B) disannex any area in which the municipality
20 is not providing or causing the provision of full municipal
21 services.

22 (c) A provision of Subsection (b) applies only to the extent
23 that the application of the provision does not impair an obligation
24 under the provision of a contract or other agreement.

25 (d) A municipality to which this section applies may not
26 enter into or renew a contract or other agreement after September 1,
27 2021, that would create an obligation that would be impaired by a

1 provision of Subsection (b).

2 SECTION 6. This Act takes effect September 1, 2021.