

AN ACT

relating to territory in an emergency services district that is annexed by a municipality.

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

SECTION 1. Section 775.022, Health and Safety Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) If a municipality completes all other procedures necessary to annex territory in a district, including the preparation of a service plan if required by Section 43.056, Local Government Code, ~~[and if]~~ the municipality intends to remove the territory from the district, and the municipality is capable at the time of the removal of being ~~[be]~~ the sole provider of emergency services to the territory by the use of municipal personnel or by some method other than by use of the district, the municipality shall send written notice of those facts, and the completed service plan, if applicable, to the board not later than the 30th day after completing the necessary procedures. The municipality must send the notice to the secretary of the board by certified mail, return receipt requested. The territory remains part of the district and does not become part of the municipality until the secretary of the board receives the notice and the board by resolution disannexes the territory from the district. The board must send a copy of the resolution to the municipality by certified mail, return receipt

1 requested, not later than the 30th day after the date on which the  
2 board adopts the resolution. If the governing body of the  
3 municipality disagrees with the board's determination that the  
4 municipal services will not meet or exceed the level of service  
5 provided by the district, the municipality may adopt a resolution  
6 stating the grounds for the disagreement and requesting arbitration  
7 in the manner provided by Section 775.0221. If the board determines  
8 that the municipal services planned to be provided in the territory  
9 will not meet or exceed the level of service provided by the  
10 district in the territory, the board shall adopt that determination  
11 in a resolution and may not by resolution disannex the territory  
12 from the district. If the board determines that municipal services  
13 planned to be provided in the territory will meet or exceed the  
14 level of service provided by the district in the territory at the  
15 time of disannexation ~~[On receipt of the notice]~~, the board shall by  
16 resolution disannex the territory from the district, notify the  
17 appraisal district to ~~[immediately]~~ change its records to show that  
18 the territory has been disannexed from the district, and ~~[shall]~~  
19 cease to provide further services to the residents of that  
20 territory. This subsection does not require a municipality to  
21 remove from a district territory the municipality has annexed. For  
22 the purposes of this subsection, "level of service" for fire and  
23 emergency medical protection means the location, deployment, and  
24 response time of fire suppression or medical resources originally  
25 dispatched to a structural or wildland fire or emergency medical  
26 incident.

27 (a-1) A board is considered to have approved a disannexation

1 of territory under Subsection (a) if the board fails to provide to  
2 the municipality a resolution disapproving or approving the  
3 disannexation before the 30th day after the date the board receives  
4 the notice under Subsection (a) from the municipality.

5 SECTION 2. Section 775.0221, Health and Safety Code, is  
6 amended by adding Subsection (a-1) and amending Subsection (b) to  
7 read as follows:

8 (a-1) If the governing body of a municipality adopts a  
9 resolution under Section 775.022 disputing the determination of the  
10 board of a district that municipal services will not meet or exceed  
11 the level of service provided by the district and requesting  
12 arbitration, the municipality and the district shall resolve the  
13 dispute using binding arbitration.

14 (b) A request for binding arbitration must be in writing and  
15 may not be made before the 60th day after the date the municipality  
16 receives, as applicable:

17 (1) a resolution from the district under Section  
18 775.022 determining that municipal services will not meet or exceed  
19 the level of service provided by the district; or

20 (2) notice from the district regarding the amount of  
21 compensation required under Section 775.022.

22 SECTION 3. This Act takes effect September 1, 2025.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 2965 passed the Senate on May 9, 2025, by the following vote: Yeas 30, Nays 1; and that the Senate concurred in House amendment on May 30, 2025, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 2965 passed the House, with amendment, on May 28, 2025, by the following vote: Yeas 124, Nays 14, three present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor