

AN ACT

relating to authorization for a development agreement between a municipality and an owner of land in the municipality's extraterritorial jurisdiction.

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

SECTION 1. Chapter 212, Local Government Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. AGREEMENT GOVERNING CERTAIN LAND IN A MUNICIPALITY'S
EXTRATERRITORIAL JURISDICTION

Sec. 212.171. APPLICABILITY. This subchapter does not apply to land located in the extraterritorial jurisdiction of a municipality with a population of 1.9 million or more.

Sec. 212.172. DEVELOPMENT AGREEMENT. (a) In this subchapter, "extraterritorial jurisdiction" means a municipality's extraterritorial jurisdiction as determined under Chapter 42.

(b) The governing body of a municipality may make a written contract with an owner of land that is located in the extraterritorial jurisdiction of the municipality to:

(1) guarantee the continuation of the extraterritorial status of the land and its immunity from annexation by the municipality for a period not to exceed 15 years;

(2) extend the municipality's planning authority over the land by providing for a development plan to be prepared by the landowner and approved by the municipality under which certain

1 general uses and development of the land are authorized;

2 (3) authorize enforcement by the municipality of
3 certain municipal land use and development regulations in the same
4 manner the regulations are enforced within the municipality's
5 boundaries;

6 (4) authorize enforcement by the municipality of land
7 use and development regulations other than those that apply within
8 the municipality's boundaries, as may be agreed to by the landowner
9 and the municipality;

10 (5) provide for infrastructure for the land,
11 including:

12 (A) streets and roads;

13 (B) street and road drainage;

14 (C) land drainage; and

15 (D) water, wastewater, and other utility
16 systems;

17 (6) authorize enforcement of environmental
18 regulations;

19 (7) provide for the annexation of the land as a whole
20 or in parts and to provide for the terms of annexation, if
21 annexation is agreed to by the parties;

22 (8) specify the uses and development of the land
23 before and after annexation, if annexation is agreed to by the
24 parties; or

25 (9) include other lawful terms and considerations the
26 parties consider appropriate.

27 (c) An agreement under this subchapter must:

- 1 (1) be in writing;
2 (2) contain an adequate legal description of the land;
3 (3) be approved by the governing body of the
4 municipality and the landowner; and
5 (4) be recorded in the real property records of each
6 county in which any part of the land that is subject to the
7 agreement is located.

8 (d) The parties to a contract may renew or extend it for
9 successive periods not to exceed 15 years each. The total duration
10 of the original contract and any successive renewals or extensions
11 may not exceed 45 years.

12 (e) A municipality in an affected county, as defined by
13 Section 16.341, Water Code, may not enter into an agreement under
14 this subchapter that is inconsistent with the model rules adopted
15 under Section 16.343, Water Code.

16 (f) The agreement between the governing body of the
17 municipality and the landowner is binding on the municipality and
18 the landowner and on their respective successors and assigns for
19 the term of the agreement. The agreement is not binding on, and
20 does not create any encumbrance to title as to, any end-buyer of a
21 fully developed and improved lot within the development, except for
22 land use and development regulations that may apply to a specific
23 lot.

24 (g) An agreement under this subchapter constitutes a permit
25 under Chapter 245.

26 (h) An agreement between a municipality and a landowner
27 entered into prior to the effective date of this section and that

1 complies with this section is validated.

2 Sec. 212.173. CERTAIN COASTAL AREAS. This subchapter does
3 not apply to, limit, or otherwise affect any ordinance, order,
4 rule, plan, or standard adopted by this state or a state agency,
5 county, municipality, or other political subdivision of this state
6 under the federal Coastal Zone Management Act of 1972 (16 U.S.C.
7 Section 1451 et seq.), and its subsequent amendments, or Subtitle
8 E, Title 2, Natural Resources Code.

9 Sec. 212.174. MUNICIPAL UTILITIES. A municipality may not
10 require an agreement under this subchapter as a condition for
11 providing water, sewer, electricity, gas, or other utility service
12 from a municipally owned or municipally operated utility that
13 provides any of those services.

14 SECTION 2. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2003.

President of the Senate

Speaker of the House

I certify that H.B. No. 1197 was passed by the House on May 2, 2003, by the following vote: Yeas 141, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1197 was passed by the Senate on May 24, 2003, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor