

1-1 By: Baxter (Senate Sponsor - Wentworth) H.B. No. 1204  
1-2 (In the Senate - Received from the House April 25, 2003;  
1-3 April 28, 2003, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 23, 2003, reported adversely,  
1-5 with favorable Committee Substitute by the following vote: Yeas 4,  
1-6 Nays 0; May 23, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 1204 By: Wentworth

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the authority of municipalities and counties to  
1-11 regulate subdivisions and certain development in a municipality's  
1-12 extraterritorial jurisdiction.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. The heading of Section 242.001, Local Government  
1-15 Code, is amended to read as follows:

1-16 Sec. 242.001. REGULATION OF SUBDIVISIONS IN  
1-17 EXTRATERRITORIAL JURISDICTION GENERALLY.

1-18 SECTION 2. (a) Section 242.001(a), Local Government Code,  
1-19 as amended by Chapters 736 and 1028, Acts of the 77th Legislature,  
1-20 Regular Session, 2001, is reenacted and amended to read as follows:

1-21 (a) This section applies only to a county operating under  
1-22 Sections 232.001-232.005 or Subchapter B, C, or E, Chapter 232, and  
1-23 a municipality that has extraterritorial jurisdiction in that  
1-24 county. Subsections (b)-(g) [~~(b)-(e)~~] do not apply:

1-25 (1) within a county that contains extraterritorial  
1-26 jurisdiction of a municipality with a population of 1.9 million or  
1-27 more; or

1-28 (2) within a county within 50 miles of an  
1-29 international border, or to which Subchapter C, Chapter 232,  
1-30 applies.

1-31 (b) This section takes effect only if House Bill No. 1197,  
1-32 Acts of the 78th Legislature, Regular Session, 2003, does not  
1-33 become law. If that bill becomes law, this section has no effect.

1-34 SECTION 3. (a) Section 242.001(a), Local Government Code,  
1-35 as amended by Chapters 736 and 1028, Acts of the 77th Legislature,  
1-36 Regular Session, 2001, is reenacted and amended to read as follows:

1-37 (a) This section applies only to a county operating under  
1-38 Sections 232.001-232.005 or Subchapter B, C, or E, Chapter 232, and  
1-39 a municipality that has extraterritorial jurisdiction in that  
1-40 county. Subsections (b)-(g) [~~(b)-(e)~~] do not apply:

1-41 (1) within a county that contains extraterritorial  
1-42 jurisdiction of a municipality with a population of 1.9 million or  
1-43 more; [~~or~~]

1-44 (2) within a county within 50 miles of an  
1-45 international border, or to which Subchapter C, Chapter 232,  
1-46 applies; or

1-47 (3) to a tract of land subject to a development  
1-48 agreement under Subchapter G, Chapter 212, or other provisions of  
1-49 this code.

1-50 (b) This section takes effect only if House Bill No. 1197,  
1-51 Acts of the 78th Legislature, Regular Session, 2003, becomes law.  
1-52 If that bill does not become law, this section has no effect.

1-53 SECTION 4. Section 242.001, Local Government Code, is  
1-54 amended by reenacting and amending Subsection (c), as amended by  
1-55 Chapters 736 and 1028, Acts of the 77th Legislature, Regular  
1-56 Session, 2001, and by amending Subsections (d), (f), and (g) and  
1-57 adding Subsections (h) and (i) to read as follows:

1-58 (c) Except as provided by Subsections (d)(3) and (4), a  
1-59 municipality and a county may not both regulate subdivisions and  
1-60 approve related permits in the extraterritorial jurisdiction of a  
1-61 municipality after an agreement under Subsection (d) is executed.  
1-62 The municipality and the county shall enter into a written  
1-63 agreement that identifies the governmental entity authorized to

2-1 regulate subdivision plats and approve related permits in the  
 2-2 extraterritorial jurisdiction. For a municipality in existence on  
 2-3 September 1, 2001, the municipality and county shall enter into a  
 2-4 written agreement under this subsection on or before April 1, 2002.  
 2-5 For a municipality incorporated after September 1, 2001, the  
 2-6 municipality and county shall enter into a written agreement under  
 2-7 this subsection not later than the 120th day after the date the  
 2-8 municipality incorporates. On reaching an agreement, the  
 2-9 municipality and county shall certify that the agreement complies  
 2-10 with the requirements of this chapter. The municipality and the  
 2-11 county shall adopt the agreement by order, ordinance, or  
 2-12 resolution. The agreement must be amended by the municipality and  
 2-13 the county if necessary to take into account an expansion or  
 2-14 reduction in the extraterritorial jurisdiction of the  
 2-15 municipality. The municipality shall notify the county of any  
 2-16 expansion or reduction in the municipality's extraterritorial  
 2-17 jurisdiction. Any expansion or reduction in the municipality's  
 2-18 extraterritorial jurisdiction that affects property that is  
 2-19 subject to a preliminary or final plat, a plat application, or an  
 2-20 application for a related permit filed with the municipality or the  
 2-21 county or that was previously approved under Section 212.009 or  
 2-22 Chapter 232 does not affect any rights accrued under Chapter 245.  
 2-23 The approval of the plat, ~~or~~ any permit, a plat application, or an  
 2-24 application for a related permit remains effective as provided by  
 2-25 Chapter 245 regardless of the change in designation as  
 2-26 extraterritorial jurisdiction of the municipality.

2-27 (d) An agreement under Subsection (c) may grant the  
 2-28 authority to regulate subdivision plats and approve related permits  
 2-29 in the extraterritorial jurisdiction of a municipality as follows:

2-30 (1) the municipality may be granted exclusive  
 2-31 jurisdiction to regulate subdivision plats and approve related  
 2-32 permits in the extraterritorial jurisdiction and may regulate  
 2-33 subdivisions under Subchapter A of Chapter 212 and other statutes  
 2-34 applicable to municipalities;

2-35 (2) the county may be granted exclusive jurisdiction  
 2-36 to regulate subdivision plats and approve related permits in the  
 2-37 extraterritorial jurisdiction and may regulate subdivisions under  
 2-38 Sections 232.001-232.005, Subchapter B or C, Chapter 232, and other  
 2-39 statutes applicable to counties;

2-40 (3) the municipality and the county may apportion the  
 2-41 area within the extraterritorial jurisdiction of the municipality  
 2-42 with the municipality regulating subdivision plats and approving  
 2-43 related permits in the area assigned to the municipality and the  
 2-44 county regulating subdivision plats and approving related permits  
 2-45 in the area assigned to the county; or

2-46 (4) the municipality and the county may enter into an  
 2-47 interlocal agreement that:

2-48 (A) establishes one office that is authorized to:

2-49 (i) accept plat applications for tracts of  
 2-50 land located in the extraterritorial jurisdiction;

2-51 (ii) collect municipal and county plat  
 2-52 application fees in a lump-sum amount; and

2-53 (iii) provide applicants one response  
 2-54 indicating approval or denial of the plat application; and

2-55 (B) establishes a single set of consolidated and  
 2-56 consistent ~~set of~~ regulations related to plats, subdivision  
 2-57 construction plans, and subdivisions of land as authorized by  
 2-58 Chapter 212, Sections 232.001-232.005, Subchapters B and C, Chapter  
 2-59 232, and other statutes applicable to municipalities and counties  
 2-60 that will be enforced in the extraterritorial jurisdiction.

2-61 (f) If a certified agreement between a county and  
 2-62 municipality as required by Subsection (c) is not in effect on or  
 2-63 before the applicable date prescribed by Section 242.0015(a), the  
 2-64 municipality and the county must enter into arbitration as provided  
 2-65 by Section 242.0015. If the arbitrator or arbitration panel, as  
 2-66 applicable, has not reached a decision in the 60-day period as  
 2-67 provided by Section 242.0015, the arbitrator or arbitration panel,  
 2-68 as applicable, shall issue an interim decision regarding the  
 2-69 regulation of plats and subdivisions and approval of related

3-1 permits in the extraterritorial jurisdiction of the municipality.  
 3-2 The interim decision shall provide for a single set of regulations  
 3-3 and authorize a single entity to regulate plats and subdivisions.  
 3-4 The interim decision remains in effect only until the arbitrator or  
 3-5 arbitration panel reaches a final decision. [This subsection  
 3-6 applies until an agreement is reached under Subsection (d). For an  
 3-7 area in a municipality's extraterritorial jurisdiction, as defined  
 3-8 by Section 212.001, a plat may not be filed with the county clerk  
 3-9 without the approval of both the municipality and the county. If a  
 3-10 municipal regulation and a county regulation relating to plats and  
 3-11 subdivisions of land conflict, the more stringent regulation  
 3-12 prevails. However, if one governmental entity requires a plat to be  
 3-13 filed for the subdivision of a particular tract of land in the  
 3-14 extraterritorial jurisdiction of the municipality and the other  
 3-15 governmental entity does not require the filing of a plat for that  
 3-16 subdivision, the authority responsible for approving plats for the  
 3-17 governmental entity that does not require the filing shall issue on  
 3-18 request of the subdivider a written certification stating that a  
 3-19 plat is not required to be filed for that subdivision of the land.  
 3-20 The certification must be attached to a plat required to be filed  
 3-21 under this subsection.]

3-22 (g) If a regulation or agreement adopted under this section  
 3-23 relating to plats and subdivisions of land or subdivision  
 3-24 development establishes a plan for future roads that conflicts with  
 3-25 a proposal or plan for future roads adopted by a metropolitan  
 3-26 planning organization, the proposal or plan of the metropolitan  
 3-27 planning organization prevails [Subsection (f) applies to a county  
 3-28 and area to which Subsections (b)-(e) do not apply].

3-29 (h) This subsection applies only to a county to which  
 3-30 Subsections (b)-(g) do not apply, except that this subsection does  
 3-31 not apply to a county subject to Section 242.002. For an area in a  
 3-32 municipality's extraterritorial jurisdiction, as defined by  
 3-33 Section 212.001, a plat may not be filed with the county clerk  
 3-34 without the approval of both the municipality and the county. If a  
 3-35 municipal regulation and a county regulation relating to plats and  
 3-36 subdivisions of land conflict, the more stringent regulation  
 3-37 prevails. However, if one governmental entity requires a plat to be  
 3-38 filed for the subdivision of a particular tract of land in the  
 3-39 extraterritorial jurisdiction of the municipality and the other  
 3-40 governmental entity does not require the filing of a plat for that  
 3-41 subdivision, the authority responsible for approving plats for the  
 3-42 governmental entity that does not require the filing shall issue on  
 3-43 request of the subdivider a written certification stating that a  
 3-44 plat is not required to be filed for that subdivision of the land.  
 3-45 The certification must be attached to a plat required to be filed  
 3-46 under this subsection.

3-47 (i) Property subject to pending approval of a preliminary or  
 3-48 final plat application filed after September 1, 2002, that is  
 3-49 released from the extraterritorial jurisdiction of a municipality  
 3-50 shall be subject only to county approval of the plat application and  
 3-51 related permits and county regulation of that plat. This subsection  
 3-52 does not apply to the simultaneous exchange of extraterritorial  
 3-53 jurisdiction between two or more municipalities or an exchange of  
 3-54 extraterritorial jurisdiction that is contingent on the subsequent  
 3-55 approval by the releasing municipality.

3-56 SECTION 5. Chapter 242, Local Government Code, is amended  
 3-57 by adding Section 242.0015 to read as follows:

3-58 Sec. 242.0015. ARBITRATION REGARDING SUBDIVISION  
 3-59 REGULATION AGREEMENT. (a) This section applies only to a county  
 3-60 and a municipality that are required to make an agreement as  
 3-61 described under Section 242.001(f). If a certified agreement  
 3-62 between a county and a municipality with an extraterritorial  
 3-63 jurisdiction that extends 3.5 miles or more from the corporate  
 3-64 boundaries of the municipality is not in effect on or before January  
 3-65 1, 2004, the parties must arbitrate the disputed issues. If a  
 3-66 certified agreement between a county and a municipality with an  
 3-67 extraterritorial jurisdiction that extends less than 3.5 miles from  
 3-68 the corporate boundaries of the municipality is not in effect on or  
 3-69 before January 1, 2006, the parties must arbitrate the disputed

4-1 issues. A party may not refuse to participate in arbitration  
4-2 requested under this section. An arbitration decision under this  
4-3 section is binding on the parties.

4-4 (b) The county and the municipality must agree on an  
4-5 individual to serve as arbitrator. If the county and the  
4-6 municipality cannot agree on an individual to serve as arbitrator,  
4-7 the county and the municipality shall each select an arbitrator and  
4-8 the arbitrators selected shall select a third arbitrator.

4-9 (c) The third arbitrator selected under Subsection (b)  
4-10 presides over the arbitration panel.

4-11 (d) Not later than the 30th day after the date the county and  
4-12 the municipality are required to have an agreement in effect under  
4-13 Section 242.001(f), the arbitrator or arbitration panel, as  
4-14 applicable, must be selected.

4-15 (e) The authority of the arbitrator or arbitration panel is  
4-16 limited to issuing a decision relating only to the disputed issues  
4-17 between the county and the municipality regarding the authority of  
4-18 the county or municipality to regulate plats, subdivisions, or  
4-19 development plans.

4-20 (f) Each party is equally liable for the costs of an  
4-21 arbitration conducted under this section.

4-22 (g) The arbitrator or arbitration panel, as applicable,  
4-23 shall render a decision under this section not later than the 60th  
4-24 day after the date the arbitrator or arbitration panel is selected.  
4-25 If after a good faith effort the arbitrator or panel has not reached  
4-26 a decision as provided under this subsection, the arbitrator or  
4-27 panel shall continue to arbitrate the matter until the arbitrator  
4-28 or panel reaches a decision.

4-29 (h) A municipality and a county may not arbitrate the  
4-30 subdivision of an individual plat under this section.

4-31 SECTION 6. Subchapter A, Chapter 212, Local Government  
4-32 Code, is amended by adding Section 212.0025 to read as follows:

4-33 Sec. 212.0025. CHAPTER-WIDE PROVISION RELATING TO  
4-34 REGULATION OF PLATS AND SUBDIVISIONS IN EXTRATERRITORIAL  
4-35 JURISDICTION. The authority of a municipality under this chapter  
4-36 relating to the regulation of plats or subdivisions in the  
4-37 municipality's extraterritorial jurisdiction is subject to any  
4-38 applicable limitation prescribed by an agreement under Section  
4-39 242.001.

4-40 SECTION 7. The heading of Chapter 232, Local Government  
4-41 Code, is amended to read as follows:

4-42 CHAPTER 232. COUNTY REGULATION OF SUBDIVISIONS AND PROPERTY  
4-43 DEVELOPMENT

4-44 SECTION 8. Subchapter A, Chapter 232, Local Government  
4-45 Code, is amended by adding Section 232.0013 to read as follows:

4-46 Sec. 232.0013. CHAPTER-WIDE PROVISION RELATING TO  
4-47 REGULATION OF PLATS AND SUBDIVISIONS IN EXTRATERRITORIAL  
4-48 JURISDICTION. The authority of a county under this chapter  
4-49 relating to the regulation of plats or subdivisions in the  
4-50 extraterritorial jurisdiction of a municipality is subject to any  
4-51 applicable limitation prescribed by an agreement under Section  
4-52 242.001 or by Section 242.002.

4-53 SECTION 9. Section 232.0015(b), Local Government Code, is  
4-54 amended to read as follows:

4-55 (b) Except as provided by Section 232.0013, this [This]  
4-56 subchapter does not apply to a subdivision of land to which  
4-57 Subchapter B applies.

4-58 SECTION 10. Section 232.022(a), Local Government Code, is  
4-59 amended to read as follows:

4-60 (a) This subchapter applies only to:  
4-61 (1) a county any part of which is located within 50  
4-62 miles of an international border; or  
4-63 (2) a county in which an election has been held under  
4-64 Section 232.0221 on the question of whether the county shall  
4-65 operate under this subchapter and the majority of the votes cast in  
4-66 the election were in the affirmative.

4-67 SECTION 11. Subchapter B, Chapter 232, Local Government  
4-68 Code, is amended by adding Section 232.0221 to read as follows:

4-69 Sec. 232.0221. ELECTION. (a) The commissioners court of a

5-1 county may order and hold an election in the county on the question  
5-2 of granting the commissioners court the authority to regulate the  
5-3 subdivision of land under this subchapter.

5-4 (b) For an election under this section, the ballot shall be  
5-5 prepared to permit voting for or against the proposition:  
5-6 "Granting (name of county) the authority to regulate the  
5-7 subdivision of land in the unincorporated area of the county."

5-8 SECTION 12. Subchapter B, Chapter 232, Local Government  
5-9 Code, is amended by adding Section 232.0225 to read as follows:

5-10 Sec. 232.0225. MINIMUM STATE STANDARDS. (a) To the extent  
5-11 this subchapter refers to minimum state standards or refers to the  
5-12 application of a provision of Chapter 16, Water Code, the  
5-13 references apply to all counties regardless of any limitation  
5-14 established by Chapter 16, Water Code, including the limitation  
5-15 established by Section 16.343(f), Water Code.

5-16 (b) This section and the other provisions of this subchapter  
5-17 do not authorize a county to participate in any financial  
5-18 assistance program or any other program authorized by Chapter 15,  
5-19 16, or 17, Water Code, unless the county qualifies under the Water  
5-20 Code.

5-21 SECTION 13. Section 232.025, Local Government Code, is  
5-22 amended to read as follows:

5-23 Sec. 232.025. SUBDIVISION REQUIREMENTS. By an order  
5-24 adopted and entered in the minutes of the commissioners court, and  
5-25 after a notice is published in English and Spanish in a newspaper of  
5-26 general circulation in the county, the commissioners court shall  
5-27 for each subdivision:

5-28 (1) require a right-of-way on a street or road that  
5-29 functions as a main artery in a subdivision, of a width of not less  
5-30 than 50 feet or more than 100 feet;

5-31 (2) require a right-of-way on any other street or road  
5-32 in a subdivision of not less than 40 feet or more than 70 feet;

5-33 (3) require that the shoulder-to-shoulder width on  
5-34 collectors or main arteries within the right-of-way be not less  
5-35 than 32 feet or more than 56 feet, and that the shoulder-to-shoulder  
5-36 width on any other street or road be not less than 25 feet or more  
5-37 than 35 feet;

5-38 (4) adopt, based on the amount and kind of travel over  
5-39 each street or road in a subdivision, reasonable specifications  
5-40 relating to the construction of each street or road;

5-41 (5) adopt reasonable specifications to provide  
5-42 adequate drainage for each street or road in a subdivision in  
5-43 accordance with standard engineering practices;

5-44 (6) require that each purchase contract made between a  
5-45 subdivider and a purchaser of land in the subdivision contain a  
5-46 statement describing how and when water, sewer, electricity, and  
5-47 gas services will be made available to the subdivision; ~~and~~

5-48 (7) require that the subdivider of the tract execute a  
5-49 bond in the manner provided by Section 232.027;

5-50 (8) adopt reasonable specifications that provide for  
5-51 drainage in the subdivision to:

5-52 (A) efficiently manage the flow of stormwater  
5-53 runoff in the subdivision; and

5-54 (B) coordinate subdivision drainage with the  
5-55 general storm drainage pattern for the area; and

5-56 (9) require lot and block monumentation to be set by a  
5-57 registered professional surveyor before recordation of the plat.

5-58 SECTION 14. Subchapter B, Chapter 232, Local Government  
5-59 Code, is amended by adding Sections 232.0255 and 232.0256 to read as  
5-60 follows:

5-61 Sec. 232.0255. STANDARD FOR ROADS IN SUBDIVISION. A county  
5-62 may not impose under Section 232.025 a higher standard for streets  
5-63 or roads in a subdivision than the county imposes on itself for the  
5-64 construction of streets or roads with a similar type and amount of  
5-65 traffic.

5-66 Sec. 232.0256. ADDITIONAL REQUIREMENTS: USE OF  
5-67 GROUNDWATER. (a) If a person submits a plat for the subdivision of  
5-68 a tract of land for which the source of the water supply intended  
5-69 for the subdivision is groundwater under that land, the

6-1 commissioners court of a county by order may require the plat  
6-2 application to have attached to it a statement that:

6-3 (1) is prepared by an engineer licensed to practice in  
6-4 this state or a geoscientist licensed to practice in this state; and

6-5 (2) certifies that adequate groundwater is available  
6-6 for the subdivision.

6-7 (b) The Texas Commission on Environmental Quality by rule  
6-8 shall establish the appropriate form and content of a certification  
6-9 to be attached to a plat application under this section.

6-10 SECTION 15. Section 232.038, Local Government Code, is  
6-11 amended to read as follows:

6-12 Sec. 232.038. SUIT BY PRIVATE PERSON [~~IN ECONOMICALLY~~  
6-13 ~~DISTRESSED AREA~~]. (a) This section applies only to:

6-14 (1) a ~~[A]~~ person who has purchased or is purchasing  
6-15 from a subdivider a lot after July 1, 1995, in a subdivision for  
6-16 residential purposes that does not have water and sewer services as  
6-17 required by this subchapter and is located in an economically  
6-18 distressed area, as defined by Section 17.921, Water Code; or

6-19 (2) a person who has purchased or is purchasing from a  
6-20 subdivider a lot after September 1, 2003, in a subdivision for  
6-21 residential purposes that does not have water and sewer services as  
6-22 required by this subchapter.

6-23 (b) A person described by Subsection (a) [~~, from a~~  
6-24 ~~subdivider,~~] may bring suit in the district court in which the  
6-25 property is located [~~or in a district court in Travis County~~] to:

6-26 (1) declare the sale of the property void and require  
6-27 the subdivider to return the purchase price of the property; and

6-28 (2) recover from the subdivider:

6-29 (A) the market value of any permanent  
6-30 improvements the person placed on the property;

6-31 (B) actual expenses incurred as a direct result  
6-32 of the failure to provide adequate water and sewer facilities;

6-33 (C) court costs; and

6-34 (D) reasonable attorney's fees.

6-35 SECTION 16. Chapter 232, Local Government Code, is amended  
6-36 by adding Subchapter F to read as follows:

6-37 SUBCHAPTER F. REGULATION OF LAND DEVELOPMENT

6-38 Sec. 232.151. SCOPE OF REGULATORY AUTHORITY. The  
6-39 commissioners court of a county that is granted authority in  
6-40 accordance with this subchapter may regulate, by order, land  
6-41 development in the unincorporated area of the county by:

6-42 (1) requiring a subdivision to use a central water or  
6-43 wastewater system under standards adopted by the county;

6-44 (2) requiring that a subdivision have a minimum fire  
6-45 suppression system, including the use of fire hydrants, storage  
6-46 tanks, or ponds;

6-47 (3) requiring improvements to roadways serving a  
6-48 subdivision;

6-49 (4) requiring a minimum amount of open space or  
6-50 imposing a limit on the amount of impervious cover for recharge and  
6-51 runoff purposes;

6-52 (5) imposing impact fees under Chapter 395; or

6-53 (6) adopting any other regulation necessary to  
6-54 regulate or manage land development.

6-55 Sec. 232.152. COMPLIANCE WITH CERTAIN LAWS. A county  
6-56 adopting a regulation under this subchapter relating to the  
6-57 location, design, construction, installation, size, or extension  
6-58 of an on-site sewage disposal system:

6-59 (1) must be an authorized agent as defined by Section  
6-60 366.002, Health and Safety Code; and

6-61 (2) must adopt regulations in accordance with Chapter  
6-62 366, Health and Safety Code.

6-63 Sec. 232.153. ELECTION TO GRANT REGULATORY AUTHORITY. The  
6-64 commissioners court of a county may order and hold an election in  
6-65 the unincorporated area of the county on the question of granting  
6-66 the commissioners court the authority to regulate land development  
6-67 in the unincorporated area of the county. Only voters who reside in  
6-68 the unincorporated area of the county are eligible to vote in an  
6-69 election held under this subchapter.

7-1 Sec. 232.154. BALLOT PROPOSITION. For an election under  
7-2 this subchapter, the ballot shall be prepared to permit voting for  
7-3 or against the proposition: "Granting (name of county) the  
7-4 authority to regulate land development in the unincorporated area  
7-5 of the county."

7-6 Sec. 232.155. EFFECT OF ELECTION. If a majority of the  
7-7 votes received on the question at the election approve the grant of  
7-8 authority, the commissioners court of the county may adopt a  
7-9 regulation under this subchapter.

7-10 SECTION 17. Section 395.001(7), Local Government Code, is  
7-11 amended to read as follows:

- 7-12 (7) "Political subdivision" means:  
7-13 (A) a municipality;  
7-14 (B) ~~[7]~~ a district or authority created under  
7-15 Article III, Section 52, or Article XVI, Section 59, of the Texas  
7-16 Constitution;  
7-17 (C) ~~[7, or,]~~ for the purposes set forth by Section  
7-18 395.079, certain counties described by that section; or  
7-19 (D) a county authorized to regulate land  
7-20 development under Subchapter F, Chapter 232.

7-21 SECTION 18. Section 395.011(b), Local Government Code, is  
7-22 amended to read as follows:

7-23 (b) Political subdivisions may enact or impose impact fees  
7-24 on land within their ~~[corporate]~~ boundaries or extraterritorial  
7-25 jurisdictions only by complying with this chapter, except that  
7-26 impact fees may not be enacted or imposed in the extraterritorial  
7-27 jurisdiction for roadway facilities.

7-28 SECTION 19. Sections 395.016(c) and (d), Local Government  
7-29 Code, are amended to read as follows:

7-30 (c) This subsection applies only to impact fees adopted  
7-31 after June 20, 1987. For new development which is platted in  
7-32 accordance with Subchapter A, Chapter 212, or Subchapter A or B,  
7-33 Chapter 232, or the subdivision or platting procedures of any other  
7-34 ~~[a]~~ political subdivision before the adoption of an impact fee, an  
7-35 impact fee may not be collected on any service unit for which a  
7-36 valid building permit is issued within one year after the date of  
7-37 adoption of the impact fee.

7-38 (d) This subsection applies only to land platted in  
7-39 accordance with Subchapter A, Chapter 212, or Subchapter A or B,  
7-40 Chapter 232, or the subdivision or platting procedures of any other  
7-41 ~~[a]~~ political subdivision after adoption of an impact fee adopted  
7-42 after June 20, 1987. The political subdivision shall assess the  
7-43 impact fees before or at the time of recordation of a subdivision  
7-44 plat or other plat under Subchapter A, Chapter 212, or Subchapter A  
7-45 or B, Chapter 232, or the subdivision or platting ordinance or  
7-46 procedures of any other political subdivision in the official  
7-47 records of the county clerk of the county in which the tract is  
7-48 located. Except as provided by Section 395.019, if the political  
7-49 subdivision has water and wastewater capacity available:

7-50 (1) the political subdivision shall collect the fees  
7-51 at the time the political subdivision issues a building permit;

7-52 (2) for land platted outside the corporate boundaries  
7-53 of a municipality, the municipality shall collect the fees at the  
7-54 time an application for an individual meter connection to the  
7-55 municipality's water or wastewater system is filed; or

7-56 (3) a political subdivision that lacks authority to  
7-57 issue building permits in the area where the impact fee applies  
7-58 shall collect the fees at the time an application is filed for an  
7-59 individual meter connection to the political subdivision's water or  
7-60 wastewater system.

7-61 SECTION 20. Section 13.002(26), Water Code, is amended to  
7-62 read as follows:

7-63 (26) "Affected county" is a county any part of which is  
7-64 located within 50 miles of an international border ~~[to which~~  
7-65 ~~Subchapter B, Chapter 232, Local Government Code, applies]~~.

7-66 SECTION 21. Section 13.2501, Water Code, is amended to read  
7-67 as follows:

7-68 Sec. 13.2501. CONDITIONS REQUIRING REFUSAL OF SERVICE. The  
7-69 holder of a certificate of public convenience and necessity shall

8-1 refuse to serve a customer within its certified area if the holder  
8-2 of the certificate is prohibited from providing the service under  
8-3 Section 212.012 or 232.029 [~~232.0047~~], Local Government Code.

8-4 SECTION 22. Section 26.001(26), Water Code, as added by  
8-5 Section 24, Chapter 979, Acts of the 74th Legislature, Regular  
8-6 Session, 1995, is amended to read as follows:

8-7 (26) "Affected county" is a county any part of which is  
8-8 located within 50 miles of an international border [~~to which~~  
8-9 ~~Subchapter B, Chapter 232, Local Government Code, applies~~].

8-10 SECTION 23. If any provision of this Act or its application  
8-11 to any county, municipality, or circumstance is held invalid, the  
8-12 invalidity does not affect other provisions or applications of this  
8-13 Act that can be given effect without the invalid provision or  
8-14 application, and to this end the provisions of this Act are declared  
8-15 to be severable.

8-16 SECTION 24. Except as provided by Section 242.001(i), Local  
8-17 Government Code, as added by this Act, the changes in law made by  
8-18 this Act to Chapters 212, 232, and 242, Local Government Code, apply  
8-19 only to a development agreement or subdivision plat that is filed on  
8-20 or after the effective date of this Act, and to the subdivision  
8-21 covered by the plat. A development agreement or subdivision plat  
8-22 that is filed before the effective date of this Act, and the  
8-23 subdivision covered by the plat, are governed by the law in effect  
8-24 immediately preceding that date, and the former law is continued in  
8-25 effect for that purpose.

8-26 SECTION 25. The changes in law made by this Act to Chapter  
8-27 232, Local Government Code, and other statutes apply only to a tract  
8-28 of land subdivided on or after September 1, 2003. A tract of land  
8-29 subdivided before that date is governed by the law in effect  
8-30 immediately before that date, and the former law is continued in  
8-31 effect for that purpose.

8-32 SECTION 26. This Act takes effect immediately if it  
8-33 receives a vote of two-thirds of all the members elected to each  
8-34 house, as provided by Section 39, Article III, Texas Constitution.  
8-35 If this Act does not receive the vote necessary for immediate  
8-36 effect, this Act takes effect September 1, 2003.

8-37 \* \* \* \* \*