

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 28, 2005

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1772 by Miller (Relating to permitting a general-law municipality to annex land in certain circumstances.), **Conference Committee Report**

No significant fiscal implication to the State is anticipated.

The bill would add Section 43.032 to the Local Government Code to authorize certain general-law municipalities to annex an area requested by petition to be annexed if certain requirements are met. The petitioners and the municipality may enter into a development agreement prior to the annexation. The annexation would not expand the municipality's extraterritorial jurisdiction.

The bill would amend Section 43.033(a), Local Government Code, to add as a condition before a general-law municipality may annex adjacent territory without the consent of any of the residents or voters of the area and without the consent of any of the landowners that the area must be entirely surrounded by the municipality and it must be a Type A general-law municipality. One of the current criteria that must be met before an area as described can be annexed by a general-law municipality is that the area does not include unoccupied territory in excess of one acre for each service address for water and sewer service. Under the proposed statute, only one of these two criteria must be met in addition to the other criteria listed.

The bill would further amend Section 43.033(a) to prohibit a municipality from annexing an area qualified for agricultural or wildlife management use unless certain criteria are met and certain actions are taken.

Local Government Impact

No significant fiscal implication to units of local government is anticipated as a result of passage of the proposed Section 43.032.

Having to meet the criteria proposed to be added to Section 43.033(a) could reduce annexation that an applicable municipality may be authorized to impose without obtaining consent of persons affected.

Source Agencies:

LBB Staff: JOB, DLBa