

## **BILL ANALYSIS**

C.S.H.B. 3367  
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Urban Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

During economic development projects that take place within the bounds of a large municipality, it may be in the best interests of a home-rule municipality and another municipality that falls within the home-rule municipality's corporate boundaries to enter into a boundary change agreement that would release an area of the home-rule municipality to the other municipality.

The proposed complete committee substitute for House Bill No. 3367 would authorize two municipalities to create such an agreement as long as both agree to the terms of the release. The substitute also defines the characteristics of the types of municipalities that may enter into such an agreement and the methods they may employ in crafting the agreement.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a State officer, department, agency, or institution.

### **SUMMARY ANALYSIS**

The proposed committee substitute defines the characteristics of an area that may be part of a boundary change agreement between two municipalities.

That area must be contiguous to the corporate boundaries of a municipality with a population of more than 5,000; situated within the corporate boundaries of a home-rule municipality with a population of more than 1.1 million; without residents; and it must have situated within the area a facility having over one million square feet of retail space that has remained primarily vacant for at least eighteen months prior to the effective date of the boundary change agreement.

The substitute further states that the home-rule municipality may enter into a boundary change agreement before December 31, 2008 and that the boundary change agreement must be adopted by ordinance or resolution of the governing body of each municipality and must describe the area by metes and bounds description.

The boundary change agreement must be agreed upon by the owners of a majority of the acreage of land contained in the area to be transferred.

The two municipalities involved in the agreement may agree to share a portion of the local sales tax revenues or ad valorem tax revenues, or both attributable to the area as a condition of the agreement.

The substitute also describes the actions that both municipalities must take as a result of the boundary change agreement in regards to changes on official maps and documents.

### **EFFECTIVE DATE**

Unless the bill receives the necessary two-thirds vote in both houses for immediate effect, the bill would take effect on the 91st day after the last day of the legislative session.

## **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The committee substitute adds language indicating that the area to be transferred in the boundary change agreement must contain at least 1 million square feet of retail space that has remained primarily vacant for 18 months.

The substitute also changes references to the general-law municipality in order to allow a general-law or a home-rule municipality to enter into such an agreement with the home-rule municipality of 1.1 million or more.

Further, the substitute adds a date by which the two municipalities must have entered into an agreement, that being December 31, 2008.