

SENATE AMENDMENTS

2nd Printing

By: Straus, McClendon

H.B. No. 3367

A BILL TO BE ENTITLED

AN ACT

relating to the change in boundaries by agreement between a general-law municipality with a population of more than 5,000 and a home-rule municipality with a population of more than 1.1 million.

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

SECTION 1. Subchapter B, Chapter 43, Local Government Code, is amended by adding Section 43.035 to read as follows:

Sec. 43.035. TRANSFER OF AREA AND CHANGE IN BOUNDARIES BETWEEN CERTAIN MUNICIPALITIES. (a) This section applies only to an area that:

(1) is contiguous to the corporate boundaries of a municipality with a population of more than 5,000;

(2) is situated within the corporate boundaries of a home-rule municipality with a population of more than 1.1 million;

(3) is without residents; and

(4) has situated within the area a facility having over one million square feet of retail space that has remained primarily vacant for at least 18 months prior to the effective date of the boundary change agreement as determined by the municipalities.

(b) A home-rule municipality with a population of more than 1.1 million may enter into a boundary change agreement before December 31, 2008, with another municipality with a population of more than 5,000 to release an area described by Subsection (a) from

1 the home-rule municipality's corporate boundaries and transfer the
2 area to be included within the corporate boundaries of the other
3 municipality. The boundary change agreement must be adopted by
4 ordinance or resolution of the governing body of each municipality
5 and must describe the area by metes and bounds description.

6 (c) The owners of a majority of the acreage of land
7 contained in an area described by Subsection (a) must consent in
8 writing to the release and transfer of the area to be included
9 within the corporate boundaries of the other municipality. The
10 owners' written consent to the release and transfer must contain a
11 metes and bounds description of the area and be submitted to each
12 municipality that is a party to the boundary change agreement prior
13 to the governing body's approval of the boundary change agreement.

14 (d) The other municipality that is a party to a boundary
15 change agreement authorized by this section, as a term or condition
16 of the boundary change agreement, may agree to share with the
17 home-rule municipality a portion of its local sales tax revenue or
18 ad valorem tax revenue, or both, attributable to the area that is
19 the subject of the boundary change agreement, for a defined period
20 of time.

21 (e) The agreement may establish an effective date of the
22 boundary change and may be subject to agreed upon conditions
23 precedent. On the effective date of the boundary change, the area
24 released and transferred as authorized by this section shall cease
25 to be part of the home-rule municipality and shall, upon the
26 effective date of the boundary change, be included within the
27 corporate boundaries of the other municipality for all purposes and

1 the corporate boundaries shall be extended to include the area. The
2 extraterritorial jurisdiction of each municipality shall also be
3 expanded or decreased in accordance with the changes in the
4 municipality's boundaries. Each municipality shall modify any
5 official map or other applicable document to reflect the change in
6 its boundaries. The area that is the subject of the boundary change
7 agreement shall be bound by any and all acts, ordinances, codes,
8 resolutions, and regulations of the other municipality.

9 (f) Notwithstanding any other provision of Chapter 43,
10 Sections 43.031, 43.051-43.057, 43.061-43.065, 43.148, and 43.905
11 do not apply to any area that is the subject of, or to any party to,
12 a boundary change agreement authorized by this section.

13 (g) In the event any provision of the charter of a home-rule
14 municipality described by Subsection (a)(2) is in conflict with any
15 provision of this section, the provisions of this section shall
16 supersede and control over any conflicting charter provision.

17 SECTION 2. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 Act takes effect September 1, 2007.

ADOPTED

MAY 18 2007

Atty. Gen.
Secretary of the Senate

By: Wentworth

H.B. No. 3367

Substitute the following for H.B. No. 3367:

By: Wentworth

C.S. H.B. No. 3367

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the change in municipal boundaries by agreement between
3 certain municipalities.

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

5 SECTION 1. Subchapter B, Chapter 43, Local Government Code,
6 is amended by adding Section 43.035 to read as follows:

7 Sec. 43.035. TRANSFER OF AREA AND CHANGE IN BOUNDARIES
8 BETWEEN CERTAIN MUNICIPALITIES. (a) This section applies only to
9 an area that:

10 (1) is contiguous to the corporate boundaries of a
11 municipality with a population of more than 5,000;

12 (2) is located within the corporate boundaries of a
13 home-rule municipality with a population of more than 1.1 million;

14 (3) has no residents; and

15 (4) has located within the area a facility with over
16 one million square feet of retail space that has remained primarily
17 vacant for at least 18 months before the effective date of the
18 boundary change agreement described by this section, as determined
19 by the municipalities that are parties to the agreement.

20 (b) Before December 31, 2008, a home-rule municipality with
21 a population of more than 1.1 million may enter into a boundary
22 change agreement with a municipality with a population of more than
23 5,000 to release an area described by Subsection (a) from the more
24 populous municipality's corporate boundaries and transfer the area

1 to be included within the corporate boundaries of the other
2 municipality. The boundary change agreement must:

3 (1) be adopted by ordinance or resolution of the
4 governing body of each municipality; and

5 (2) contain a metes and bounds description of the
6 area.

7 (c) The owners of a majority of the acreage of land
8 contained in an area described by Subsection (a) must consent in
9 writing to the release and transfer of the area to be included
10 within the corporate boundaries of the other municipality. The
11 owners' written consent to the release and transfer must:

12 (1) be submitted to each municipality that is a party
13 to the boundary change agreement before the governing body of
14 either municipality may approve the boundary change agreement; and

15 (2) contain a metes and bounds description of the
16 area.

17 (d) The less populous municipality, as a term of the
18 boundary change agreement, may agree to share a portion of that
19 municipality's local sales tax revenue or ad valorem tax revenue,
20 or both, attributable to the area that is the subject of the
21 boundary change agreement, for a defined period, with the more
22 populous municipality.

23 (e) The boundary change agreement may establish an
24 effective date of the boundary change and may be subject to
25 provisions that establish conditions precedent to the boundary
26 change. On the effective date of the boundary change:

27 (1) the area released and transferred as authorized by

1 this section ceases to be part of the more populous municipality and
2 is included within the corporate boundaries of the less populous
3 municipality for all purposes;

4 (2) the corporate boundaries of the less populous
5 municipality are extended to include the area;

6 (3) the extraterritorial jurisdiction of each
7 municipality is expanded or decreased in accordance with the
8 changes in the municipality's boundaries; and

9 (4) the area that is the subject of the boundary change
10 agreement is bound by the acts, ordinances, codes, resolutions, and
11 regulations of the less populous municipality.

12 (f) Each municipality shall modify any official map or other
13 applicable document to reflect the change in the municipality's
14 boundaries.

15 (g) Notwithstanding any other provision of this chapter,
16 Sections 43.031, 43.148, and 43.905 and Subchapters C and C-1 do not
17 apply to an area that is the subject of, or a party to, a boundary
18 change agreement authorized by this section.

19 (h) If a provision of the charter of a home-rule
20 municipality described by Subsection (a)(2) is in conflict with any
21 provision of this section, the provisions of this section prevail
22 over the conflicting charter provision.

23 SECTION 2. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2007.

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 15, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: HB3367 by Straus (Relating to the change in municipal boundaries by agreement between certain municipalities.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, DB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 11, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

IN RE: HB3367 by Straus (Relating to the change in boundaries by agreement between a general-law municipality with a population of more than 5,000 and a home-rule municipality with a population of more than 1.1 million.), **As Engrossed**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, DB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 9, 2007

TO: Honorable Kevin Bailey, Chair, House Committee on Urban Affairs

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

IN RE: HB3367 by Straus (Relating to the change in boundaries by agreement between a general-law municipality with a population of more than 5,000 and a home-rule municipality with a population of more than 1.1 million.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, DB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 30, 2007

TO: Honorable Kevin Bailey, Chair, House Committee on Urban Affairs

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

IN RE: HB3367 by Straus (Relating to the change in boundaries by agreement between a general-law municipality with a population of more than 5,000 and a home-rule municipality with a population of more than 1.1 million.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, DB