

**House Bill 3367**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

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 the **home-rule municipality's** corporate boundaries and transfer the area to be included within the corporate boundaries of the other municipality. 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**

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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 **located** within the corporate boundaries of a home-rule municipality with a population of more than 1.1 million;
- (3) **has no residents**; and
- (4) has **located** within the area a facility **with over** one million square feet of retail space that has remained primarily vacant for at least 18 months **before** the effective date of the boundary change agreement **described by this section**, as determined by the municipalities **that are parties to the agreement**.

(b) **Before December 31, 2008**, a home-rule municipality with a population of more than 1.1 million may enter into a boundary change agreement with **a municipality** with a population of more than 5,000 to release an area described by Subsection (a) from the **more populous municipality's** corporate boundaries and transfer the area to be included within the corporate boundaries of the other municipality. The boundary change agreement must:

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

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description.

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

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

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

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

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

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

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

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

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

(1) the area released and transferred as authorized by this section ceases to be part of the more populous municipality and is included within the corporate boundaries of the less populous municipality for all purposes;

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municipality shall also be expanded or decreased in accordance with the changes in the municipality's boundaries. Each municipality shall modify any official map or other applicable document to reflect the change in its boundaries. The area that is the subject of the boundary change agreement shall be bound by any and all acts, ordinances, codes, resolutions, and regulations of the other municipality.

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

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

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

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

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

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

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

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

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

Same as House version.

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