

1-1 By: Campbell, Burton S.B. No. 1639
1-2 (In the Senate - Filed March 13, 2015; March 23, 2015, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; May 11, 2015, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 1, 1
1-6 present not voting; May 11, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12		X		
1-13	X			
1-14	X			
1-15				X

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1639 By: Lucio

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to the procedures for municipal annexations.
1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-21 SECTION 1. Subchapter A, Chapter 43, Local Government Code,
1-22 is amended by adding Section 43.003 to read as follows:
1-23 Sec. 43.003. LIMITED PURPOSE ANNEXATION PROHIBITED.
1-24 (a) Beginning September 1, 2015, a municipality may not annex an
1-25 area for the limited purposes of applying its planning, zoning,
1-26 health, and safety ordinances in the area.
1-27 (b) This section supersedes any municipal charter provision
1-28 that conflicts with this section.
1-29 SECTION 2. Section 43.051, Local Government Code, is
1-30 transferred to Subchapter B, Chapter 43, Local Government Code,
1-31 redesignated as Section 43.0211, Local Government Code, and amended
1-32 to read as follows:
1-33 Sec. 43.0211 [43.051]. AUTHORITY TO ANNEX LIMITED TO
1-34 EXTRATERRITORIAL JURISDICTION. A municipality may annex area only
1-35 in the municipality's [its] extraterritorial jurisdiction unless
1-36 the municipality owns the area.
1-37 SECTION 3. Subchapter B, Chapter 43, Local Government Code,
1-38 is amended by adding Section 43.0212 to read as follows:
1-39 Sec. 43.0212. AUTHORITY OF MUNICIPALITY TO ANNEX AREA ON
1-40 REQUEST OF OWNERS. (a) A municipality may annex an area if each
1-41 owner of land in the area requests the annexation.
1-42 (b) If a municipality elects to annex an area under this
1-43 section, the governing body of the municipality must first
1-44 negotiate and enter into a written agreement for the provision of
1-45 services in the area with the owners of land in the area. The
1-46 municipality is not required to provide a service that is not
1-47 included in the agreement.
1-48 (c) Before a municipality may annex an area under this
1-49 section, the governing body of the municipality must conduct at
1-50 least two public hearings. The hearings must be conducted not less
1-51 than 10 business days apart. During the first public hearing, the
1-52 governing body must provide persons interested in the annexation
1-53 the opportunity to be heard. During the final public hearing, the
1-54 governing body may adopt an ordinance annexing the area.
1-55 SECTION 4. The heading to Subchapter C, Chapter 43, Local
1-56 Government Code, is amended to read as follows:
1-57 SUBCHAPTER C. ANNEXATION OF AREAS WITH A POPULATION OF LESS THAN
1-58 200 [PROCEDURE FOR AREAS ANNEXED UNDER MUNICIPAL ANNEXATION PLAN]
1-59 SECTION 5. Subchapter C, Chapter 43, Local Government Code,
1-60 is amended by adding Sections 43.0511 through 43.0517 to read as

2-1 follows:

2-2 Sec. 43.0511. AUTHORITY TO ANNEX. A municipality may annex
2-3 an area with a population of less than 200 only if the municipality
2-4 obtains consent to annex the area through a petition signed by:

2-5 (1) more than 50 percent of the registered voters of
2-6 the area; and

2-7 (2) if the registered voters of the area do not own
2-8 more than 50 percent of the land in the area, more than 50 percent of
2-9 the owners of land in the area.

2-10 Sec. 43.0512. RESOLUTION. The governing body of the
2-11 municipality that proposes to annex an area under this subchapter
2-12 must adopt a resolution that includes:

2-13 (1) a statement of the municipality's intent to annex
2-14 the area;

2-15 (2) a detailed description and map of the area to be
2-16 annexed; and

2-17 (3) a description of the services to be provided by the
2-18 municipality in the area after the annexation, including, as
2-19 applicable:

2-20 (A) police protection;

2-21 (B) fire protection;

2-22 (C) emergency medical services;

2-23 (D) solid waste collection;

2-24 (E) operation and maintenance of water and
2-25 wastewater facilities in the annexed area;

2-26 (F) operation and maintenance of roads and
2-27 streets, including road and street lighting;

2-28 (G) operation and maintenance of parks,
2-29 playgrounds, and swimming pools; and

2-30 (H) operation and maintenance of any other
2-31 publicly owned facility, building, or service.

2-32 Sec. 43.0513. NOTICE OF PROPOSED ANNEXATION. Not later
2-33 than the seventh day after the date the governing body of the
2-34 municipality adopts the resolution under Section 43.0512, the
2-35 municipality must mail to each resident in the area notification of
2-36 the proposed annexation that includes:

2-37 (1) notice of the public hearing required by Section
2-38 43.0514;

2-39 (2) an explanation of the 60-day petition period
2-40 described by Section 43.0515; and

2-41 (3) a description of services to be provided by the
2-42 municipality in the area after the annexation.

2-43 Sec. 43.0514. INITIAL PUBLIC HEARING. The governing body
2-44 of a municipality must conduct at least one public hearing not
2-45 earlier than the 21st day and not later than the 30th day after the
2-46 date the governing body adopts the resolution under Section
2-47 43.0512.

2-48 Sec. 43.0515. PETITION. (a) The petition required by
2-49 Section 43.0511 may be signed only by a registered voter of the area
2-50 or an owner of land in the area. The petition must provide for the
2-51 person signing to state whether the person is signing as a
2-52 registered voter of the area, as an owner of land in the area, or as
2-53 both.

2-54 (b) The municipality may collect signatures on the petition
2-55 only during the period beginning on the 31st day after the date the
2-56 governing body of the municipality adopts the resolution under
2-57 Section 43.0512 and ending on the 90th day after the date the
2-58 resolution is adopted.

2-59 (c) The petition must clearly state that a person signing
2-60 the petition is consenting to the proposed annexation.

2-61 (d) The petition must include a map of and describe the area
2-62 proposed to be annexed.

2-63 (e) The municipality must collect petition signatures in
2-64 person, except that the municipality may provide for an owner of
2-65 land in the area that is not a resident of the area to sign the
2-66 petition electronically.

2-67 (f) Chapter 277, Election Code, applies to a petition under
2-68 this section.

2-69 Sec. 43.0516. RESULTS OF PETITION. (a) When the petition

3-1 period prescribed by Section 43.0515 ends, the petition shall be
3-2 verified by the municipal secretary or other person responsible for
3-3 verifying signatures. The municipality must notify the residents
3-4 of the area proposed to be annexed of the results of the petition.

3-5 (b) If the municipality does not obtain the number of
3-6 signatures on the petition required to annex the area, the
3-7 municipality may not annex the area and may not adopt another
3-8 resolution under Section 43.0512 to annex the same area until the
3-9 first anniversary of the date the petition period ended.

3-10 (c) If the municipality obtains the number of signatures on
3-11 the petition required to annex the area, the municipality may annex
3-12 the area after:

3-13 (1) providing notice under Subsection (a);

3-14 (2) holding a public hearing at which members of the
3-15 public are given an opportunity to be heard; and

3-16 (3) holding a final hearing not earlier than the 10th
3-17 day after the date of the public hearing under Subdivision (2) at
3-18 which the ordinance annexing the area may be adopted.

3-19 Sec. 43.0517. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON
3-20 PETITION. Notwithstanding Section 43.0516, a municipality may not
3-21 annex an area under this subchapter without approval of a majority
3-22 of the voters voting at an election called and held for that purpose
3-23 if a petition protesting the annexation is signed by a number of
3-24 registered voters of the municipality equal to at least 50 percent
3-25 of the number of voters who voted in the most recent municipal
3-26 election and is received by the secretary of the municipality
3-27 before the date the petition period prescribed by Section 43.0515
3-28 ends.

3-29 SECTION 6. The heading to Subchapter C-1, Chapter 43, Local
3-30 Government Code, is amended to read as follows:

3-31 SUBCHAPTER C-1. ANNEXATION OF AREAS WITH A POPULATION OF AT LEAST
3-32 200 [~~PROCEDURE FOR AREAS EXEMPTED FROM MUNICIPAL ANNEXATION PLAN~~]

3-33 SECTION 7. Subchapter C-1, Chapter 43, Local Government
3-34 Code, is amended by adding Sections 43.0611 through 43.0618 to read
3-35 as follows:

3-36 Sec. 43.0611. AUTHORITY TO ANNEX. A municipality may annex
3-37 an area with a population of 200 or more only if the following
3-38 conditions are met, as applicable:

3-39 (1) the municipality holds an election in the area
3-40 proposed to be annexed at which the qualified voters of the area may
3-41 vote on the question of the annexation, and a majority of the votes
3-42 received at the election approve the annexation; and

3-43 (2) if the registered voters of the area do not own
3-44 more than 50 percent of the land in the area, the municipality
3-45 obtains consent to annex the area through a petition signed by more
3-46 than 50 percent of the owners of land in the area.

3-47 Sec. 43.0612. RESOLUTION. The governing body of the
3-48 municipality that proposes to annex an area under this subchapter
3-49 must adopt a resolution that includes:

3-50 (1) a statement of the municipality's intent to annex
3-51 the area;

3-52 (2) a detailed description and map of the area to be
3-53 annexed; and

3-54 (3) a description of the services to be provided by the
3-55 municipality in the area after the annexation, including, as
3-56 applicable:

3-57 (A) police protection;

3-58 (B) fire protection;

3-59 (C) emergency medical services;

3-60 (D) solid waste collection;

3-61 (E) operation and maintenance of water and
3-62 wastewater facilities in the annexed area;

3-63 (F) operation and maintenance of roads and
3-64 streets, including road and street lighting;

3-65 (G) operation and maintenance of parks,
3-66 playgrounds, and swimming pools; and

3-67 (H) operation and maintenance of any other
3-68 publicly owned facility, building, or service.

3-69 Sec. 43.0613. NOTICE OF PROPOSED ANNEXATION. Not later

4-1 than the seventh day after the date the governing body of the
4-2 municipality adopts the resolution under Section 43.0612, the
4-3 municipality must mail to each property owner in the area
4-4 notification of the proposed annexation that includes:

4-5 (1) notice of the public hearing required by Section
4-6 43.0614;

4-7 (2) notice that an election on the question of
4-8 annexing the area will be held; and

4-9 (3) a description of services to be provided by the
4-10 municipality in the area after the annexation.

4-11 Sec. 43.0614. PUBLIC HEARINGS. (a) The governing body of
4-12 a municipality must conduct at least one public hearing not earlier
4-13 than the 21st day and not later than the 30th day after the date the
4-14 governing body adopts the resolution under Section 43.0612.

4-15 (b) The governing body must conduct an additional public
4-16 hearing not earlier than the 31st day and not later than the 90th
4-17 day after the date the governing body adopts a resolution under
4-18 Section 43.0612.

4-19 Sec. 43.0615. PROPERTY OWNER CONSENT REQUIRED FOR CERTAIN
4-20 AREAS. (a) If the registered voters in the area to be annexed do
4-21 not own more than 50 percent of the land in the area, the
4-22 municipality must obtain consent to the annexation through a
4-23 petition signed by more than 50 percent of the owners of land in the
4-24 area in addition to the election required by this subchapter.

4-25 (b) The municipality must obtain the consent required by
4-26 this section through the petition process prescribed by Section
4-27 43.0515, and the petition must be verified in the manner provided by
4-28 Section 43.0516(a).

4-29 Sec. 43.0616. ELECTION. (a) A municipality shall order an
4-30 election on the question of annexing an area to be held on the first
4-31 uniform election date that falls on or after:

4-32 (1) the 90th day after the date the governing body of
4-33 the municipality adopts the resolution under Section 43.0612; or

4-34 (2) if the consent of the owners of land in the area is
4-35 required under Section 43.0615, the 78th day after the date the
4-36 petition period to obtain that consent ends.

4-37 (b) An election under this section shall be held in the same
4-38 manner as general elections of the municipality. The municipality
4-39 shall pay for the costs of holding the election.

4-40 (c) A municipality that holds an election under this section
4-41 may not hold another election on the question of annexation before
4-42 the corresponding uniform election date of the following year.

4-43 Sec. 43.0617. RESULTS OF ELECTION AND PETITION.

4-44 (a) Following an election held under this subchapter, the
4-45 municipality must notify the residents of the area proposed to be
4-46 annexed of the results of the election and, if applicable, of the
4-47 petition required by Section 43.0615.

4-48 (b) If at the election held under this subchapter a majority
4-49 of qualified voters do not approve the proposed annexation, or if
4-50 the municipality is required to petition owners of land in the area
4-51 under Section 43.0615 and does not obtain the required number of
4-52 signatures, the municipality may not annex the area and may not
4-53 adopt another resolution under Section 43.0612 to annex the same
4-54 area until the first anniversary of the date of the adoption of the
4-55 resolution.

4-56 (c) If at the election held under this subchapter a majority
4-57 of qualified voters approve the proposed annexation, and if the
4-58 municipality, as applicable, obtains the required number of
4-59 petition signatures under Section 43.0615, the municipality may
4-60 annex the area after:

4-61 (1) providing notice under Subsection (a);

4-62 (2) holding a public hearing at which members of the
4-63 public are given an opportunity to be heard; and

4-64 (3) holding a final hearing not earlier than the 10th
4-65 day after the date of the public hearing under Subdivision (2) at
4-66 which the ordinance annexing the area may be adopted.

4-67 Sec. 43.0618. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON
4-68 PETITION. Notwithstanding Section 43.0617, a municipality may not
4-69 annex an area under this subchapter without approval of a majority

5-1 of the voters voting at an election called and held for that purpose
 5-2 if a petition protesting the annexation is signed by a number of
 5-3 registered voters of the municipality equal to at least 50 percent
 5-4 of the number of voters who voted in the most recent municipal
 5-5 election and is received by the secretary of the municipality
 5-6 before the date the election required by this subchapter is held.

5-7 SECTION 8. Section 43.071(e), Local Government Code, is
 5-8 amended to read as follows:

5-9 (e) Subsections (b) and (c) [~~(b)-(d)~~] do not apply to the
 5-10 annexation of:

5-11 (1) an area within a water or sewer district if:

5-12 (A) the governing body of the district consents
 5-13 to the annexation;

5-14 (B) the owners in fee simple of the area to be
 5-15 annexed consent to the annexation; and

5-16 (C) the annexed area does not exceed 525 feet in
 5-17 width at its widest point;

5-18 (2) a water or sewer district that has a noncontiguous
 5-19 part that is not within the extraterritorial jurisdiction of the
 5-20 municipality; or

5-21 (3) a part of a special utility district created or
 5-22 operating under Chapter 65, Water Code.

5-23 SECTION 9. Section 43.0715(c), Local Government Code, is
 5-24 amended to read as follows:

5-25 (c) At the time notice of the municipality's intent to annex
 5-26 the land within the district is first published [~~in accordance with~~
 5-27 ~~Section 43.052~~], the municipality shall proceed to initiate and
 5-28 complete a report for each developer conducted in accordance with
 5-29 the format approved by the Texas [~~Natural Resource Conservation~~
 5-30 ~~Commission on Environmental Quality~~] for audits. In the event the
 5-31 municipality is unable to complete the report prior to the
 5-32 effective date of the annexation as a result of the developer's
 5-33 failure to provide information to the municipality which cannot be
 5-34 obtained from other sources, the municipality shall obtain from the
 5-35 district the estimated costs of each project previously undertaken
 5-36 by a developer which are eligible for reimbursement. The amount of
 5-37 such costs, as estimated by the district, shall be escrowed by the
 5-38 municipality for the benefit of the persons entitled to receive
 5-39 payment in an insured interest-bearing account with a financial
 5-40 institution authorized to do business in the state. To compensate
 5-41 the developer for the municipality's use of the infrastructure
 5-42 facilities pending the determination of the reimbursement amount or
 5-43 federal preclearance, all interest accrued on the escrowed funds
 5-44 shall be paid to the developer whether or not the annexation is
 5-45 valid. Upon placement of the funds in the escrow account, the
 5-46 annexation may become effective. In the event a municipality
 5-47 timely escrows all estimated reimbursable amounts as required by
 5-48 this subsection and all such amounts, determined to be owed,
 5-49 including interest, are subsequently disbursed to the developer
 5-50 within five days of final determination in immediately available
 5-51 funds as required by this section, no penalties or interest shall
 5-52 accrue during the pendency of the escrow. Either the municipality
 5-53 or developer may, by written notice to the other party, require
 5-54 disputes regarding the amount owed under this section to be subject
 5-55 to nonbinding arbitration in accordance with the rules of the
 5-56 American Arbitration Association.

5-57 SECTION 10. Section 43.072(d), Local Government Code, is
 5-58 amended to read as follows:

5-59 (d) Annexation of area under this section is exempt from the
 5-60 provisions of this chapter that prohibit:

5-61 (1) a municipality from annexing area outside its
 5-62 extraterritorial jurisdiction; or

5-63 (2) [~~annexation of area narrower than the minimum~~
 5-64 ~~width prescribed by Section 43.054, or~~

5-65 [~~(3)~~] reduction of the extraterritorial jurisdiction
 5-66 of a municipality without the written consent of the municipality's
 5-67 governing body.

5-68 SECTION 11. Section 43.0751, Local Government Code, is
 5-69 amended by amending Subsections (b), (d), (e), (f), (g), (h), (j),

6-1 (k), (m), and (n) and adding Subsection (e-1) to read as follows:
6-2 (b) The governing bodies of a municipality and a district
6-3 may negotiate and enter into a written strategic partnership
6-4 agreement for the district by mutual consent. The governing body of
6-5 a municipality, on written request from a district located in the
6-6 municipality's extraterritorial jurisdiction [~~included in the~~
6-7 ~~municipality's annexation plan under Section 43.052~~], may [~~shall~~]
6-8 negotiate and enter into a written strategic partnership agreement
6-9 with the district. [~~A district included in a municipality's~~
6-10 ~~annexation plan under Section 43.052.~~

6-11 [~~(1) may not submit its written request before the~~
6-12 ~~date of the second hearing required under Section 43.0561, and~~

6-13 [~~(2) must submit its written request before the 61st~~
6-14 ~~day after the date of the second hearing required under Section~~
6-15 ~~43.0561.]~~

6-16 (d) Before the governing body of a municipality or a
6-17 district adopts a strategic partnership agreement, it shall conduct
6-18 two public hearings at which members of the public who wish to
6-19 present testimony or evidence regarding the proposed agreement
6-20 shall be given the opportunity to do so. Notice of public hearings
6-21 conducted by the governing body of a municipality under this
6-22 subsection shall be published in a newspaper of general circulation
6-23 in the municipality and in the district[~~. The notice must be in the~~
6-24 ~~format prescribed by Section 43.123(b)] and must be published at
6-25 least once on or after the 20th day before the [each] date of each
6-26 hearing. The notice may not be smaller than one-quarter page of a
6-27 standard-size or tabloid-size newspaper, and the headline on the
6-28 notice must be in 18-point or larger type. Notice of public
6-29 hearings conducted by the governing body of a district under this
6-30 subsection shall be given in accordance with the district's
6-31 notification procedures for other matters of public importance.
6-32 Any notice of a public hearing conducted under this subsection
6-33 shall contain a statement of the purpose of the hearing, the date,
6-34 time, and place of the hearing, and the location where copies of the
6-35 proposed agreement may be obtained prior to the hearing. The
6-36 governing bodies of a municipality and a district may conduct joint
6-37 public hearings under this subsection, provided that at least one
6-38 public hearing is conducted within the district.~~

6-39 (e) [~~The governing body of a municipality may not annex a~~
6-40 ~~district for limited purposes under this section or under the~~
6-41 ~~provisions of Subchapter F until it has adopted a strategic~~
6-42 ~~partnership agreement with the district.] The governing body of a
6-43 municipality may not adopt a strategic partnership agreement before
6-44 the agreement has been adopted by the governing body of the affected
6-45 district.~~

6-46 (e-1) Beginning September 1, 2015, a strategic partnership
6-47 agreement may not provide for limited purpose annexation.

6-48 (f) A strategic partnership agreement may provide for the
6-49 following:

6-50 (1) [~~limited-purpose annexation of the district on~~
6-51 ~~terms acceptable to the municipality and the district provided that~~
6-52 ~~the district shall continue in existence during the period of~~
6-53 ~~limited-purpose annexation;~~

6-54 [(2) ~~limited-purpose annexation of a district located~~
6-55 ~~in a county with a population of more than 3.3 million;~~

6-56 [(A) ~~only if the municipality does not require~~
6-57 ~~services, permits, or inspections or impose fees for services,~~
6-58 ~~permits, or inspections within the district; and~~

6-59 [(B) ~~provided that this subsection does not~~
6-60 ~~prevent the municipality from providing services within the~~
6-61 ~~district if:~~

6-62 [(i) ~~the provision of services is specified~~
6-63 ~~and agreed to in the agreement;~~

6-64 [(ii) ~~the provision of services is not~~
6-65 ~~solely the result of a regulatory plan adopted by the municipality~~
6-66 ~~in connection with the limited-purpose annexation of the district;~~
6-67 ~~and~~

6-68 [(iii) ~~the district has obtained the~~
6-69 ~~authorization of the governmental entity currently providing the~~

7-1 ~~service;~~
7-2 [~~(3)~~] payments by the municipality to the district for
7-3 services provided by the district;
7-4 (2) [~~(4)~~] annexation of any commercial property in a
7-5 district [~~for full purposes~~] by the municipality, notwithstanding
7-6 any other provision of this code or the Water Code, except for the
7-7 obligation of the municipality to provide, directly or through
7-8 agreement with other units of government, full provision of
7-9 municipal services to annexed territory, in lieu of any annexation
7-10 of residential property or payment of any fee on residential
7-11 property in lieu of annexation of residential property in the
7-12 district authorized by this subsection;
7-13 (3) an [~~(5)~~ ~~a full-purpose~~] annexation provision on
7-14 terms acceptable to the municipality and the district;
7-15 (4) [~~(6)~~] conversion of the district to a limited
7-16 district including some or all of the land included within the
7-17 boundaries of the district, which conversion shall be effective on
7-18 the [~~full-purpose~~] annexation conversion date established under
7-19 Subdivision (3) [~~(5)~~];
7-20 (5) [~~(7)~~] agreements existing between districts and
7-21 governmental bodies and private providers of municipal services and
7-22 existence on the date a municipality evidences its intention by
7-23 adopting a resolution to negotiate for a strategic partnership
7-24 agreement with the district shall be continued and provision made
7-25 for modifications to such existing agreements; and
7-26 (6) [~~(8)~~] such other lawful terms that the parties
7-27 consider appropriate.
7-28 (g) A strategic partnership agreement that provides for the
7-29 creation of a limited district under Subsection (f)(4) [~~(f)(6)~~]
7-30 shall include provisions setting forth the following:
7-31 (1) the boundaries of the limited district;
7-32 (2) the functions of the limited district and the term
7-33 during which the limited district shall exist after [~~full-purpose~~]
7-34 annexation, which term may be renewed successively by the governing
7-35 body of the municipality, provided that no such original or renewed
7-36 term shall exceed 10 years;
7-37 (3) the name by which the limited district shall be
7-38 known; and
7-39 (4) the procedure by which the limited district may be
7-40 dissolved prior to the expiration of any term established under
7-41 Subdivision (2).
7-42 (h) On the [~~full-purpose~~] annexation conversion date set
7-43 forth in the strategic partnership agreement pursuant to Subsection
7-44 (f)(3) [~~(f)(5)(A)~~], the land included within the boundaries of the
7-45 district shall be deemed to be within the [~~full-purpose~~] boundary
7-46 limits of the municipality without the need for further action by
7-47 the governing body of the municipality. The [~~full-purpose~~]
7-48 annexation conversion date established by a strategic partnership
7-49 agreement may be altered only by mutual agreement of the district
7-50 and the municipality. However, nothing herein shall prevent the
7-51 municipality from terminating the agreement and instituting
7-52 proceedings to annex the district, on request by the governing body
7-53 of the district, on any date prior to the [~~full-purpose~~] annexation
7-54 conversion date established by the strategic partnership
7-55 agreement. [~~Land annexed for limited or full purposes under this~~
7-56 ~~section shall not be included in calculations prescribed by Section~~
7-57 ~~43.055(a).~~]
7-58 (j) Except as limited by this section or the terms of a
7-59 strategic partnership agreement, a district that has been annexed
7-60 for limited purposes by a municipality before September 1, 2015,
7-61 and a limited district shall have and may exercise all functions,
7-62 powers, and authority otherwise vested in a district.
7-63 (k) A municipality that has annexed all or part of a
7-64 district for limited purposes under this section before September
7-65 1, 2015, may impose a sales and use tax within the boundaries of the
7-66 part of the district that is annexed for limited purposes. Except
7-67 to the extent it is inconsistent with this section, Chapter 321, Tax
7-68 Code, governs the imposition, computation, administration,
7-69 governance, and abolition of the sales and use tax.

8-1 (m) A municipality that has annexed ~~[may annex]~~ a district
 8-2 for limited purposes to implement a strategic partnership agreement
 8-3 under this section before September 1, 2015, shall not annex for
 8-4 full purposes any territory within a district created pursuant to a
 8-5 consent agreement with that municipality executed before August 27,
 8-6 1979. The prohibition on annexation established by this subsection
 8-7 shall expire on September 1, 1997, or on the date on or before which
 8-8 the municipality and any district may have separately agreed that
 8-9 annexation would not take place whichever is later.

8-10 (n) This subsection applies only to a municipality any
 8-11 portion of which is located in a county that has a population of not
 8-12 less than 285,000 and not more than 300,000 and that borders the
 8-13 Gulf of Mexico and is adjacent to a county with a population of more
 8-14 than 3.3 million. A municipality may impose within the boundaries
 8-15 of a district a municipal sales and use tax authorized by Chapter
 8-16 321, Tax Code, or a municipal hotel occupancy tax authorized by
 8-17 Chapter 351, Tax Code, that is imposed in the municipality if:

8-18 (1) the municipality has annexed the district for
 8-19 limited purposes under this section before September 1, 2015; or

8-20 (2) following two public hearings on the matter, the
 8-21 municipality and the district enter a written agreement providing
 8-22 for the imposition of the tax or taxes.

8-23 SECTION 12. Subchapter D, Chapter 43, Local Government
 8-24 Code, is amended by adding Section 43.07512 to read as follows:

8-25 Sec. 43.07512. LIMITED PURPOSE ANNEXATION OF ANY SPECIAL
 8-26 DISTRICT PROHIBITED UNDER STRATEGIC PARTNERSHIP AGREEMENT.

8-27 (a) In this section, "special district" means a political
 8-28 subdivision of this state with a limited geographic area created by
 8-29 local law or under general law for a special purpose.

8-30 (b) Notwithstanding any other general or local law, a
 8-31 strategic partnership agreement entered into on or after September
 8-32 1, 2015, may not provide for the limited purpose annexation of all
 8-33 or part of a special district.

8-34 SECTION 13. Section 43.07515(a), Local Government Code, is
 8-35 amended to read as follows:

8-36 (a) A municipality may not regulate under Section 43.0751
 8-37 ~~[or 43.0752]~~ the sale, use, storage, or transportation of fireworks
 8-38 outside of the municipality's boundaries.

8-39 SECTION 14. Section 43.102(d), Local Government Code, is
 8-40 amended to read as follows:

8-41 (d) The municipality may annex the area even if the area is
 8-42 outside the municipality's extraterritorial jurisdiction or ~~[r]~~ is
 8-43 in another municipality's extraterritorial jurisdiction~~[, or is~~
 8-44 ~~narrower than the minimum width prescribed by Section 43.054.~~
 8-45 ~~Section 43.055, which relates to the amount of area a municipality~~
 8-46 ~~may annex in a calendar year, does not apply to the annexation].~~

8-47 SECTION 15. Section 43.1025(c), Local Government Code, is
 8-48 amended to read as follows:

8-49 (c) Annexation of the ~~[The]~~ area described by Subsection (b)
 8-50 ~~[may be annexed without the consent of the owners or residents of~~
 8-51 ~~the area, but the annexation]~~ may not occur unless each
 8-52 municipality in whose extraterritorial jurisdiction the area may be
 8-53 located:

8-54 (1) consents to the annexation; and

8-55 (2) reduces its extraterritorial jurisdiction over
 8-56 the area as provided by Section 42.023.

8-57 SECTION 16. Subchapter F, Chapter 43, Local Government
 8-58 Code, is amended by adding Section 43.1211 to read as follows:

8-59 Sec. 43.1211. APPLICABILITY. This subchapter applies to an
 8-60 area that was annexed for a limited purpose as authorized before
 8-61 September 1, 2015.

8-62 SECTION 17. Section 43.127(a), Local Government Code, is
 8-63 amended to read as follows:

8-64 (a) On ~~[Except as provided by Section 43.123(c), on]~~ or
 8-65 before the date prescribed by the regulatory plan prepared for the
 8-66 limited purpose area ~~[under Section 43.123(d)(2)],~~ the
 8-67 municipality must annex the area for full purposes. ~~[This~~
 8-68 ~~requirement may be waived and the date for full-purpose annexation~~
 8-69 ~~postponed by written agreement between the municipality and a~~

9-1 ~~majority of the affected landowners. A written agreement to waive~~
 9-2 ~~the municipality's obligation to annex the area for full purposes~~
 9-3 ~~binds all future owners of land annexed for limited purposes~~
 9-4 ~~pursuant to that waiver.]~~

9-5 SECTION 18. Sections 43.141(a) and (b), Local Government
 9-6 Code, are amended to read as follows:

9-7 (a) A majority of the qualified voters of an annexed area
 9-8 may petition the governing body of the municipality to disannex the
 9-9 area if the municipality fails or refuses to provide services or to
 9-10 cause services to be provided to the area [~~within the period~~
 9-11 ~~specified by Section 43.056 or by the service plan prepared for the~~
 9-12 ~~area under that section].~~

9-13 (b) If the governing body fails or refuses to disannex the
 9-14 area within 60 days after the date of the receipt of the petition,
 9-15 any one or more of the signers of the petition may bring a cause of
 9-16 action in a district court of the county in which the area is
 9-17 principally located to request that the area be disannexed. On the
 9-18 filing of an answer by the governing body, and on application of
 9-19 either party, the case shall be advanced and heard without further
 9-20 delay in accordance with the Texas Rules of Civil Procedure. The
 9-21 district court shall enter an order disannexing the area if the
 9-22 court finds that a valid petition was filed with the municipality
 9-23 and that the municipality failed to perform [~~its obligations in~~
 9-24 ~~accordance with the service plan or failed to perform]~~ in good
 9-25 faith.

9-26 SECTION 19. Section 43.201(2), Local Government Code, is
 9-27 amended to read as follows:

9-28 (2) "Limited-purpose annexation" means annexation
 9-29 authorized under former Section 43.121, as that section existed on
 9-30 January 1, 2015.

9-31 SECTION 20. Section 43.203(a), Local Government Code, is
 9-32 amended to read as follows:

9-33 (a) This section applies only to the [The] governing body of
 9-34 a district that by resolution petitioned [may petition] a
 9-35 municipality to alter the annexation status of land in the district
 9-36 from full-purpose annexation to limited-purpose annexation and
 9-37 before September 1, 2015:

9-38 (1) entered into an agreement to alter the status of
 9-39 annexation as provided by this section; or

9-40 (2) had its status automatically altered by operation
 9-41 of Subsection (c).

9-42 SECTION 21. Section 43.905(a), Local Government Code, is
 9-43 amended to read as follows:

9-44 (a) A municipality that proposes to annex an area shall
 9-45 provide written notice of the proposed annexation to each public
 9-46 school district located in the area proposed for annexation within
 9-47 the period prescribed for publishing the notice of the first
 9-48 hearing under Section 43.0212, 43.0514, [43.0561] or 43.0614
 9-49 [43.063], as applicable.

9-50 SECTION 22. Section 775.0754(d), Health and Safety Code, is
 9-51 amended to read as follows:

9-52 (d) A municipality that enters into an agreement under this
 9-53 section is not required to provide emergency services in that
 9-54 annexed territory. To the extent of a conflict between this
 9-55 subsection and [~~Section 43.056, Local Government Code, or]~~ any
 9-56 other law, this subsection controls.

9-57 SECTION 23. (a) Sections 42.0411, 43.021, 43.022, 43.023,
 9-58 43.024, 43.025, 43.030, 43.032, 43.033, 43.034, 43.035(c), 43.036,
 9-59 43.052, 43.053, 43.054, 43.0545, 43.0546, 43.055, 43.056, 43.0561,
 9-60 43.0562, 43.0563, 43.0564, 43.0565, 43.0567, 43.057, 43.061,
 9-61 43.062, 43.063, 43.064, 43.065, 43.071(d), (f), and (g), 43.072(c),
 9-62 (e), (g), (h), (i), (j), (k), (l), and (m), 43.0751(o) and (r),
 9-63 43.0752, 43.101(c) and (d), 43.102(c), 43.1025(e) and (g), 43.103,
 9-64 43.105, 43.121, 43.122, 43.123, 43.124, 43.125, 43.126, 43.129,
 9-65 43.131, 43.132, and 43.147, Local Government Code, are repealed.

9-66 (b) Subchapter Y, Chapter 43, Local Government Code, is
 9-67 repealed.

9-68 (c) Sections 8374.252(a), 8375.252(a), 8376.252(a),
 9-69 8377.252(a), 8378.252(a), 8382.252(a), 8383.252(a), 8384.252(a),

10-1 8385.252(a), and 8477.302(a), Special District Local Laws Code, are
10-2 repealed.

10-3 SECTION 24. The changes in law made by this Act do not apply
10-4 to an annexation for which the first hearing notice required by
10-5 former Section 43.0561 or 43.063, Local Government Code, as
10-6 applicable, was published before the effective date of this Act. An
10-7 annexation described by this section is governed by the law in
10-8 effect at the time the notice was published, and the former law is
10-9 continued in effect for that purpose.

10-10 SECTION 25. This Act takes effect September 1, 2015.

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