

BILL ANALYSIS

Senate Research Center
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S.B. 6
By: Campbell et al.
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, municipal annexation is a cumbersome and involuntary process that can last up to four years with limited input from property owners living in areas proposed for annexation. Under current law, many cities annex areas simply to boost their tax base while ignoring and passing over poorer areas in desperate need of city services. Other areas are annexed for limited purposes, meaning residents must follow city ordinances and sometimes even pay city taxes despite living outside the municipality and having no elected representation.

S.B. 6, the Municipal Annexation Right to Vote Act, addresses these issues by making the municipal annexation process more democratic—requiring consent by the residents being annexed through either an election or petition process when the city is located in a county with a population of 500,000 or more. Additionally, S.B. 6 reduces bureaucracy to expedite voluntary annexation when cities and land owners can agree on services.

As proposed, S.B. 6 amends current law relating to municipal annexation.

[**Note:** While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect the Texas Commission on Environmental Quality, as the successor agency to TNRCC.]

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 43.001, Local Government Code, as follows:

Sec. 43.001. New heading: DEFINITIONS. Defines “tier 1 county,” “tier 2 county,” “tier 1 municipality,” and “tier 2 municipality” and makes nonsubstantive changes.

SECTION 2. Amends Section 43.002, Local Government Code, by adding Subsection (e), to prohibit a municipality, notwithstanding Subsection (c) (relating to permitting a municipality to impose certain regulations) and until the 20th anniversary of the date of the annexation of an area that includes a permanent retail structure, from prohibiting a person from continuing to use the structure for the indoor seasonal sale of retail goods if the structure meets certain criteria.

SECTION 3. Transfers Section 43.021, Local Government Code, to Subchapter A, Chapter 43, Local Government Code, redesignates it as Section 43.003, Local Government Code, and amends it, to authorize a home-rule municipality to take certain actions according to rules as may be provided by the charter of the municipality and not inconsistent with the requirements, rather than the procedural rules, prescribed by this chapter (Municipal Annexation).

SECTION 4. Amends Chapter 43, Local Government Code, by adding Subchapter A-1, as follows:

SUBCHAPTER A-1. GENERAL AUTHORITY TO ANNEX

Sec. 43.011. **APPLICABILITY.** Provides that this subchapter applies to a tier 1 municipality and, notwithstanding Subchapter C-4 or C-5, which are added by this Act, a tier 2 municipality.

Sec. 43.0115. **AUTHORITY OF CERTAIN MUNICIPALITIES TO ANNEX ENCLAVES.** (a) Provides that this section applies only to a municipality that:

(1) is wholly or partly located in a county in which a majority of the population of two or more municipalities, each with a population of 300,000 or more, are located; and

(2) proposes to annex a certain area.

(b) Authorizes the governing body of a municipality by ordinance, notwithstanding any other law, to annex an area without the consent of any of the residents of, voters of, or owners of land in the area under the procedures prescribed by Subchapter C-1.

Sec. 43.0116. **AUTHORITY OF MUNICIPALITY TO ANNEX INDUSTRIAL DISTRICTS.** Authorizes a municipality, notwithstanding any other law, to annex all or part of the area located in an industrial district designated by the governing body of the municipality under Section 42.044 (Creation of Industrial District in Extraterritorial Jurisdiction) under the requirements applicable to a tier 1 municipality.

Sec. 43.0117. **AUTHORITY OF MUNICIPALITY TO ANNEX AREA NEAR MILITARY BASE.** (a) Defines “military base.”

(b) Prohibits a municipality, notwithstanding any other law, from annexing for full or limited purposes any part of the area located within one-quarter mile of the boundaries of a military base in which an active training program is conducted unless the municipality and the base authorities have entered into a comprehensive written agreement that establishes provisions to maintain the compatibility of the municipality's regulation of land in the area with the military base operations following the annexation.

SECTION 5. Transfers Section 43.026, Local Government Code, to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignates it as Section 43.012, Local Government Code, and amends it, to authorize the governing body of a Type A general-law municipality by ordinance to annex area that the municipality owns under the procedures prescribed by Subchapter C-1.

SECTION 6. Transfers Section 43.027, Local Government Code, to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignates it as Section 43.013, Local Government Code, and amends it, as follows:

Sec. 43.013. New heading: **AUTHORITY OF MUNICIPALITY TO ANNEX NAVIGABLE STREAM.** Authorizes the governing body of a municipality by ordinance, rather than the governing body of a general-law municipality by ordinance, to annex any navigable stream adjacent to the municipality and within the municipality's extraterritorial jurisdiction under the procedures prescribed by Subchapter C-1.

SECTION 7. Transfers Section 43.051, Local Government Code, to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignates it as Section 43.014, Local Government Code, and makes no further changes.

SECTION 8. Transfers Section 43.031, Local Government Code, to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignates it as Section 43.015, Local Government Code, and makes no further changes.

SECTION 9. Transfers Section 43.035, Local Government Code, to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignates it as Section 43.016, Local Government Code, and amends it, as follows:

Sec. 43.016. AUTHORITY OF MUNICIPALITY TO ANNEX AREA QUALIFIED FOR AGRICULTURAL OR WILDLIFE MANAGEMENT USE OR AS TIMBER LAND. (a) and (b) Makes no changes to these subsections.

(c) Changes a reference to Section 43.021(2) (relating to a home-rule municipality extending its boundaries and annexing area adjacent to it) to Section 43.003(2).

(d) and (e) Makes no changes to these subsections.

SECTION 10. Transfers Section 43.037, Local Government Code, to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignates it as Section 43.017, Local Government Code, and amends it, as follows:

Sec. 43.017. PROHIBITION AGAINST ANNEXATION TO SURROUND MUNICIPALITY IN CERTAIN COUNTIES. (a) Creates this subsection from existing text and makes no further changes to this subsection.

(b) Authorizes a municipality described by Subsection (a) (relating to a municipality with a certain population and location) to which Section 42.0235 (Limitation on Extraterritorial Jurisdiction of Certain Municipalities) applies and a neighboring municipality to waive Subsection (a) if the governing body of each municipality adopts, on or after December 1, 2017, a resolution stating that this section is waived.

SECTION 11. Amends the heading to Subchapter B, Chapter 43, Local Government Code, to read as follows:

SUBCHAPTER B. GENERAL AUTHORITY TO ANNEX: TIER 1 MUNICIPALITIES

SECTION 12. Amends Subchapter B, Chapter 43, Local Government Code, by adding Section 43.0205, as follows:

Sec. 43.0205. APPLICABILITY. Provides that this subchapter applies only to a tier 1 municipality.

SECTION 13. Amends the heading to Subchapter C, Chapter 43, Local Government Code, to read as follows:

SUBCHAPTER C. ANNEXATION PROCEDURE FOR AREAS ANNEXED UNDER MUNICIPAL ANNEXATION PLAN: TIER 1 MUNICIPALITIES

SECTION 14. Amends Subchapter C, Chapter 43, Local Government Code, by adding Section 43.0505, as follows:

Sec. 43.0505. APPLICABILITY. (a) Provides that, except as provided by Subsection (b), this subchapter applies only to a tier 1 municipality.

(b) Provides that, unless otherwise specifically provided by this chapter, this subchapter does not apply to a tier 2 municipality.

SECTION 15. Amends Section 43.052(h), Local Government Code, to provide that this section (Municipal Annexation Plan Required) does not apply to an area proposed for annexation if, among certain other conditions, the area is annexed under Section 43.012, 43.013, 43.015, or 43.029 (Authority of Certain Small Municipalities to Annex Unoccupied Area on Petition of School Board), rather than under Section 43.026 (Authority of Type A General-Law Municipality to Annex Area It Owns), 43.027 (Authority of General-Law Municipality to Annex

Navigable Stream), 43.029, or 43.031 (Authority of Adjacent Municipalities to Change Boundaries by Agreement).

SECTION 16. Amends Section 43.054(a), Local Government Code, to prohibit a municipality, rather than a municipality with a population of less than 1.6 million, from annexing a certain area.

SECTION 17. Amends Sections 43.056(l) and (n), Local Government Code, as follows:

(l) Authorizes a person residing or owning land in an annexed area, rather than a person residing or owning land in an annexed area in a municipality with a population of less than 1.6 million, to enforce a service plan by applying for a writ of mandamus not later than a certain date. Deletes existing text authorizing a person residing or owning land in an annexed area in a municipality with a population of 1.6 million or more to enforce a service plan by petitioning the municipality for a change in policy or procedures to ensure compliance with the service plan. Deletes existing text authorizing the petitioner, if the municipality fails to take action with regard to the petition, to request arbitration of the dispute under Section 43.0565 (Arbitration Regarding Enforcement of Service Plan).

(n) Prohibits a municipality, before the second anniversary of the date an area is included within the corporate boundaries of the municipality by annexation, from offering solid waste management services in the area unless a privately owned solid waste management service provider is unavailable, rather than from imposing a fee for solid waste management services on a person who continues to use the services of a privately owned solid waste management service provider.

SECTION 18. Amends Section 43.0562(a), Local Government Code, as follows:

(a) Requires the municipality and the property owners of the area proposed for annexation, after holding the hearings as provided by Section 43.0561 (Annexation Hearing Requirements), to negotiate for the provision of certain services. Deletes existing text requiring the municipality and the property owners of the area proposed for annexation, after holding the hearings as provided by Section 43.0561 and if a municipality has a population of less than 1.6 million, to negotiate for provision of certain services.

SECTION 19. Amends Section 43.0563(a), Local Government Code, to authorize the governing body of a municipality, rather than the governing body of a municipality with a population of less than 1.6 million, to negotiate and enter into a written agreement for the provision of services and the funding of the services in a certain area.

SECTION 20. Amends the heading to Subchapter C-1, Chapter 43, Local Government Code, to read as follows:

**SUBCHAPTER C-1. ANNEXATION PROCEDURE FOR AREAS EXEMPTED FROM
MUNICIPAL ANNEXATION PLAN: TIER 1 MUNICIPALITIES**

SECTION 21. Amends Section 43.061, Local Government Code, as follows:

Sec. 43.061. APPLICABILITY. (a) Creates this subsection from existing text. Provides that, except as provided by Subsection (b), this subchapter applies only to an area that is proposed for annexation by a tier 1 municipality and that is not required to be included in a municipal annexation plan under Section 43.052(h) (relating to the applicability of this section to certain areas proposed for annexation), rather than provides that this subchapter applies to an area proposed for annexation that is not required to be included in a municipal annexation plan under Section 43.052.

(b) Provides that, unless otherwise specifically provided by this chapter, this subchapter does not apply to an area that is proposed for annexation by a tier 2 municipality.

SECTION 22. Amends Section 43.062(a), Local Government Code, to delete existing references to Sections 43.051 (Authority to Annex Limited to Extraterritorial Jurisdiction), 43.0565, and 43.0567 (Provision of Water or Sewer Service in Populous Municipality) among certain sections that apply to the annexation of an area to which this subchapter applies.

SECTION 23. Amends Section 43.064, Local Government Code, as follows:

Sec. 43.064. New heading: PERIOD FOR COMPLETION OF ANNEXATION. Deletes existing Subsection (b) authorizing the governing body of a municipality with a population of 1.6 million or more, notwithstanding any provision of a municipal charter to the contrary, to provide that an annexation take effect on any date within 90 days after the date of the adoption of the ordinance providing for the annexation. Deletes existing designation of Subsection (a).

SECTION 24. Amends Chapter 43, Local Government Code, by adding Subchapter C-2, as follows:

**SUBCHAPTER C-2. GENERAL ANNEXATION AUTHORITY AND PROCEDURES: TIER
2 MUNICIPALITIES**

Sec. 43.066. APPLICABILITY. Provides that this subchapter applies only to a tier 2 municipality.

Sec. 43.0661. PROVISION OF CERTAIN SERVICES TO ANNEXED AREA. (a) Provides that this section applies only to a municipality that includes solid waste collection services in the list of services that will be provided in the area proposed for annexation on or before the second anniversary of the effective date of the annexation of the area under a written agreement under Section 43.0672 or a resolution under Section 43.0682 or 43.0692, which are added by this Act.

(b) Provides that a municipality is not required to provide solid waste collection services to a person who continues to use the services of a privately owned solid waste management service provider as provided by Subsection (c).

(c) Prohibits a municipality, before the second anniversary of the effective date of the annexation of an area, from:

(1) prohibiting the collection of solid waste in the area by a privately owned solid waste management service provider; or

(2) offering solid waste management services in the area unless a privately owned solid waste management service provider is unavailable.

Sec. 43.0663. EFFECT ON OTHER LAW. Provides that Subchapters C-3 through C-5 do not affect the procedures described by Section 397.005 (Consultation With or Notification to Military Base or Defense Facility Authorities: Proposed Ordinance, Rule, or Plan) or 397.006 (Consultation With or Notification to Military Base or Defense Facility Authorities: Proposed Structure) applicable to a defense community as defined by Section 397.001 (Definitions).

SECTION 25. Transfers Section 43.030, Local Government Code, to Subchapter C-2, Chapter 43, Local Government Code, as added by this Act, redesignates it as Section 43.0662, Local Government Code, and amends it, as follows:

Sec. 43.0662. AUTHORITY OF MUNICIPALITY WITH POPULATION OF 74,000 TO 99,700 IN URBAN COUNTY TO ANNEX SMALL, SURROUNDED GENERAL-LAW MUNICIPALITY. (a) Authorizes a municipality that has a population of 74,000 to 99,700, that is located wholly or partly in a county with a population of more than 1.8 million, and that completely surrounds and is contiguous to a general-law municipality

with a population of less than 600, notwithstanding Subchapter C-4 or C-5, to annex the general-law municipality as provided by this section.

(b) through (j) Makes no changes to these subsections.

SECTION 26. Amends Chapter 43, Local Government Code, by adding Subchapters C-3, C-4, and C-5, as follows:

SUBCHAPTER C-3. ANNEXATION OF AREA ON REQUEST OF OWNERS: TIER 2 MUNICIPALITIES

Sec. 43.067. **APPLICABILITY.** Provides that this subchapter applies only to a tier 2 municipality.

Sec. 43.0671. **AUTHORITY TO ANNEX AREA ON REQUEST OF OWNERS.** Authorizes a municipality, notwithstanding Subchapter C-4 or C-5, to annex an area if each owner of land in the area requests the annexation.

Sec. 43.0672. **WRITTEN AGREEMENT REGARDING SERVICES.** (a) Requires the governing body of the municipality that elects to annex an area under this subchapter to first negotiate and enter into a written agreement with the owners of land in the area for the provision of services in the area.

(b) Requires that the agreement include:

(1) a list of each service the municipality will provide on the effective date of the annexation; and

(2) a schedule that includes the period within which the municipality will provide each service that is not provided on the effective date of the annexation.

(c) Provides that the municipality is not required to provide a service that is not included in the agreement.

Sec. 43.0673. **PUBLIC HEARINGS.** (a) Requires the governing body of a municipality, before the municipality may adopt an ordinance annexing an area under this section, to conduct at least two public hearings.

(b) Requires that the hearings be conducted not less than 10 business days apart.

(c) Requires the governing body, during the first public hearing, to provide persons interested in the annexation the opportunity to be heard. Authorizes the governing body, during the final public hearing, to adopt an ordinance annexing the area.

(d) Requires the municipality to post notice of the hearings on the municipality's Internet website if the municipality has an Internet website and publish notice of the hearings in a newspaper of general circulation in the municipality and in the area proposed for annexation. Requires that the notice for each hearing be published at least once on or after the 20th day but before the 10th day before the date of the hearing. Requires that the notice for each hearing be posted on the municipality's Internet website on or after the 20th day but before the 10th day before the date of the hearing and remain posted until the date of the hearing.

SUBCHAPTER C-4. ANNEXATION OF AREAS WITH POPULATION OF LESS THAN 200: TIER 2 MUNICIPALITIES

Sec. 43.068. **APPLICABILITY.** Provides that this subchapter applies only to a tier 2 municipality.

Sec. 43.0681. **AUTHORITY TO ANNEX.** Authorizes a municipality to annex an area with a population of less than 200 only if the municipality obtains consent to annex the area through a petition signed by more than 50 percent of the registered voters of the area.

Sec. 43.0682. **RESOLUTION.** Requires the governing body of the municipality that proposes to annex an area under this subchapter to adopt a resolution that includes:

- (1) a statement of the municipality's intent to annex the area;
- (2) a detailed description and map of the area;
- (3) a description of each service to be provided by the municipality in the area on or after the effective date of the annexation, including, as applicable, certain services;
- (4) a list of each service the municipality will provide on the effective date of the annexation; and
- (5) a schedule that includes the period within which the municipality will provide each service that is not provided on the effective date of the annexation.

Sec. 43.0683. **NOTICE OF PROPOSED ANNEXATION.** Requires the municipality, not later than the seventh day after the date the governing body of the municipality adopts the resolution under Section 43.0682, to mail to each resident in the area proposed to be annexed notification of the proposed annexation that includes:

- (1) notice of the public hearing required by Section 43.0684;
- (2) an explanation of the 180-day petition period described by Section 43.0685; and
- (3) a description, list, and schedule of services to be provided by the municipality in the area on or after annexation as provided by Section 43.0682.

Sec. 43.0684. **PUBLIC HEARING.** Requires the governing body of a municipality to conduct at least one public hearing not earlier than the 21st day and not later than the 30th day after the date the governing body adopts the resolution under Section 43.0682.

Sec. 43.0685. **PETITION.** (a) Authorizes the petition required by Section 43.0681 to be signed only by a registered voter of the area proposed to be annexed.

- (b) Authorizes the municipality to collect signatures on the petition only during the period beginning on the 31st day after the date the governing body of the municipality adopts the resolution under Section 43.0682 and ending on the 180th day after the date the resolution is adopted.
- (c) Requires that the petition clearly state that a person signing the petition is consenting to the proposed annexation.
- (d) Requires that the petition include a map of and describe the area proposed to be annexed.
- (e) Requires that signatures collected on the petition be in writing.
- (f) Provides that Chapter 277 (Petition Prescribed by Law Outside Code), Election Code, applies to a petition under this section.

Sec. 43.0686. RESULTS OF PETITION. (a) Requires that the petition, when the petition period prescribed by Section 43.0685 ends, be verified by the municipal secretary or other person responsible for verifying signatures. Requires the municipality to notify the residents of the area proposed to be annexed of the results of the petition.

(b) Prohibits the municipality, if the municipality does not obtain the number of signatures on the petition required to annex the area, from annexing the area and from adopting another resolution under Section 43.0682 to annex the area until the first anniversary of the date the petition period ended.

(c) Authorizes the municipality, if the municipality obtains the number of signatures on the petition required to annex the area, to annex the area after:

(1) providing notice under Subsection (a);

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

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

Sec. 43.0687. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON PETITION. Prohibits the municipality, if a petition protesting the annexation of an area under this subchapter is signed by a number of registered voters of the municipality proposing the annexation equal to at least 50 percent of the number of voters who voted in the most recent municipal election and is received by the secretary of the municipality before the date the petition period prescribed by Section 43.0685 ends, from completing the annexation of the area without approval of a majority of the voters of the municipality voting at an election called and held for that purpose.

Sec. 43.0688. RETALIATION FOR ANNEXATION DISAPPROVAL PROHIBITED. (a) Provides that the disapproval of the proposed annexation of an area under this subchapter does not affect any existing legal obligation of the municipality proposing the annexation to continue to provide governmental services in the area, including water or wastewater services.

(b) Prohibits the municipality from initiating a rate proceeding solely because of the disapproval of a proposed annexation of an area under this subchapter.

SUBCHAPTER C-5. ANNEXATION OF AREAS WITH POPULATION OF AT LEAST 200: TIER 2 MUNICIPALITIES

Sec. 43.069. APPLICABILITY. Provides that this subchapter applies only to a tier 2 municipality.

Sec. 43.0691. AUTHORITY TO ANNEX. Authorizes a municipality to annex an area with a population of 200 or more only if the following conditions are met, as applicable:

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

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

Sec. 43.0692. RESOLUTION. Requires the governing body of the municipality that proposes to annex an area under this subchapter to adopt a resolution that includes:

- (1) a statement of the municipality's intent to annex the area;
- (2) a detailed description and map of the area;
- (3) a description of each service to be provided by the municipality in the area on or after the effective date of the annexation, including, as applicable, certain services;
- (4) a list of each service the municipality will provide on the effective date of the annexation; and
- (5) a schedule that includes the period within which the municipality will provide each service that is not provided on the effective date of the annexation.

Sec. 43.0693. NOTICE OF PROPOSED ANNEXATION. Requires the municipality, not later than the seventh day after the date the governing body of the municipality adopts the resolution under Section 43.0692, to mail to each property owner in the area proposed to be annexed notification of the proposed annexation that includes:

- (1) notice of the public hearings required by Section 43.0694;
- (2) notice that an election on the question of annexing the area will be held; and
- (3) a description, list, and schedule of services to be provided by the municipality in the area on or after annexation as provided by Section 43.0692.

Sec. 43.0694. PUBLIC HEARINGS. (a) Requires the governing body of a municipality to conduct an initial public hearing not earlier than the 21st day and not later than the 30th day after the date the governing body adopts the resolution under Section 43.0692.

(b) Requires the governing body to conduct at least one additional public hearing not earlier than the 31st day and not later than the 90th day after the date the governing body adopts a resolution under Section 43.0692.

Sec. 43.0695. PROPERTY OWNER CONSENT REQUIRED FOR CERTAIN AREAS.

(a) Requires the municipality, if the registered voters in the area proposed to be annexed do not own more than 50 percent of the land in the area, to obtain consent to the annexation through a petition signed by more than 50 percent of the owners of land in the area in addition to the election required by this subchapter.

(b) Requires the municipality to obtain the consent required by this section through the petition process prescribed by Section 43.0685, and requires that the petition be verified in the manner provided by Section 43.0686(a).

(c) Authorizes the municipality, notwithstanding Section 43.0685(e), to provide for an owner of land in the area that is not a resident of the area to sign the petition electronically.

Sec. 43.0696. ELECTION. (a) Requires a municipality to order an election on the question of annexing an area to be held on the first uniform election date that falls on or after:

- (1) the 90th day after the date the governing body of the municipality adopts the resolution under Section 43.0692; or
- (2) if the consent of the owners of land in the area is required under Section 43.0695, the 78th day after the date the petition period to obtain that consent ends.

(b) Requires that an election under this section be held in the same manner as general elections of the municipality and requires the municipality to pay for the costs of holding the election.

(c) Prohibits a municipality that holds an election under this section from holding another election on the question of annexation before the corresponding uniform election date of the following year.

Sec. 43.0697. RESULTS OF ELECTION AND PETITION. (a) Requires the municipality, following an election held under this subchapter, to notify the residents of the area proposed to be annexed of the results of the election and, if applicable, of the petition required by Section 43.0695.

(b) Prohibits the municipality, if at the election held under this subchapter a majority of qualified voters do not approve the proposed annexation, or if the municipality is required to petition owners of land in the area under Section 43.0695 and does not obtain the required number of signatures, from annexing the area and from adopting another resolution under Section 43.0692 to annex the area until the first anniversary of the date of the adoption of the resolution.

(c) Authorizes the municipality, if at the election held under this subchapter a majority of qualified voters approve the proposed annexation, and if the municipality, as applicable, obtains the required number of petition signatures under Section 43.0695, to annex the area after:

(1) providing notice under Subsection (a);

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

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

Sec. 43.0698. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON PETITION. Prohibits the municipality, if a petition protesting the annexation of an area under this subchapter is signed by a number of registered voters of the municipality proposing the annexation equal to at least 50 percent of the number of voters who voted in the most recent municipal election and is received by the secretary of the municipality before the date the election required by this subchapter is held, from completing the annexation of the area without approval of a majority of the voters of the municipality voting at a separate election called and held for that purpose.

Sec. 43.0699. RETALIATION FOR ANNEXATION DISAPPROVAL PROHIBITED.

(a) Provides that the disapproval of the proposed annexation of an area under this subchapter does not affect any existing legal obligation of the municipality proposing the annexation to continue to provide governmental services in the area, including water or wastewater services.

(b) Prohibits the municipality from initiating a rate proceeding solely because of the disapproval of a proposed annexation of an area under this subchapter.

SECTION 27. Amends Sections 43.0715(b) and (c), Local Government Code, as follows:

(b) Changes a reference to the Texas Natural Resource Conservation Commission to the Texas Commission on Environmental Quality (TCEQ). Deletes existing text providing that, for an annexation that is subject to preclearance by a federal authority, a payment will be considered timely if the municipality meets certain requirements.

(c) Requires the municipality, at the time notice of the municipality's intent to annex the land within the water-related special district is first given in accordance with Section 43.052, 43.0683, or 43.0693, as applicable, rather than at the time notice of the municipality's intent to annex the land within the district is first published in accordance with Section 43.052, to proceed to initiate and complete a report for each developer conducted in accordance with the format approved by TCEQ for audits. Requires that all interest accrued on the escrowed funds be paid to the developer whether or not the annexation is valid to compensate the developer for the municipality's use of the infrastructure facilities pending the determination of the reimbursement amount, rather than pending the determination of the reimbursement amount of federal preclearance. Makes a conforming change.

SECTION 28. Amends Section 43.0751, Local Government Code, by amending Subsection (h) and adding Subsections (s) and (t), as follows:

(h) Changes a reference to Subsection (f)(5)(A) to Subsection (f)(5) (relating to authorizing a strategic partnership agreement to provide for a full-purpose annexation provision on certain terms). Requires that nothing herein prevent the municipality from terminating the agreement and instituting proceedings to annex the conservation and reclamation district, on request by the governing body of the district, on any date prior to the full-purpose annexation conversion date established by the strategic partnership agreement under the procedures applicable to a tier 1 municipality.

(s) Provides that, notwithstanding any other law and except as provided by Subsection (t), the procedures prescribed by Subchapters C-3, C-4, and C-5 do not apply to the annexation of an area under this section (Strategic Partnerships for Continuation of Certain Districts). Requires a municipality, except as provided by Subsections (h) and (t), to follow the procedures established under the strategic partnership agreement for full-purpose annexation of an area under this section.

(t) Requires a municipality subject to this subsection, notwithstanding the provisions of this section, to annex an area described by Subdivision (4)(B) in compliance with Subchapter C-3, C-4, or C-5. Provides that this subsection applies only to a municipality that:

(1) has a population of less than 850,000;

(2) is served by a municipally owned electric utility with 400,000 or more customers;

(3) is wholly or partly located in a tier 2 county; and

(4) is subject to a strategic partnership agreement:

(A) executed on or after September 1, 2009; and

(B) for which an area proposed for annexation will be annexed before January 1, 2021.

SECTION 29. Amends the heading to Section 43.101, Local Government Code, to read as follows:

Sec. 43.101. ANNEXATION OF MUNICIPALLY OWNED RESERVOIR.

SECTION 30. Amends Section 43.101(c), Local Government Code, as follows:

(c) Authorizes a certain area to be annexed without the consent of any owners or residents of the area under the procedures applicable to a tier 1 municipality, rather than authorizes the area to be annexed without the consent of the owners or residents of the area, by:

(1) a tier 1 municipality; and

(2) if there are no owners other than the municipality or residents of the area, a tier 2 municipality.

SECTION 31. Amends Section 43.102(c), Local Government Code, as follows:

(c) Authorizes the area of a municipally owned airport to be annexed without the consent of any owners or residents of the area under the procedures applicable to a tier 1 municipality, rather than authorizes the area to be annexed without the consent of the owners or residents of the area, by

(1) a tier 1 municipality; and

(2) if there are no owners other than the municipality or residents of the area, a tier 2 municipality.

SECTION 32. Amends Section 43.1025(c), Local Government Code, to authorize the area described by Subsection (b) (relating to a certain unincorporated area of an airport) to be annexed under the requirements applicable to a tier 2 municipality but prohibits the annexation from occurring unless under certain conditions, rather than authorizes the area described by Subsection (b) to be annexed without the consent of the owners or residents of the area, but prohibits the annexation from occurring unless under certain conditions.

SECTION 33. Amends the heading to Section 43.103, Local Government Code, to read as follows:

Sec. 43.103. ANNEXATION OF STREETS, HIGHWAYS, AND OTHER WAYS BY GENERAL-LAW TIER 1 MUNICIPALITIES.

SECTION 34. Amends Section 43.103(a), Local Government Code, to authorize a general-law tier 1 municipality with a population of 500 or more to annex, by ordinance and without the consent of any person, the part of a street, highway, alley, or other public or private way, including a railway line, spur, or roadbed, that is adjacent and runs parallel to the boundaries of the municipality.

SECTION 35. Amends Section 43.105, Local Government Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Provides that this section (Annexation of Streets by Certain Small General-Law Municipalities) applies only to a general-law tier 1 municipality that meets certain population requirements or a general-law tier 1 municipality that has a population of 6,000 to 6,025. Makes nonsubstantive changes.

(a-1) Authorizes a municipality described by Subsection (a), subject to Section 43.1055, to annex, by ordinance and without the consent of any person, a public street, highway, road, or alley adjacent to the municipality.

SECTION 36. Amends Subchapter E, Chapter 43, Local Government Code, by adding Section 43.1055, as follows:

Sec. 43.1055. ANNEXATION OF ROADS AND RIGHTS-OF-WAY IN CERTAIN LARGE COUNTIES. Authorizes a tier 2 municipality, notwithstanding any other law, to by ordinance annex a road or the right-of-way of a road on request of the owner of the road or right-of-way or the governing body of the political subdivision that maintains the road or right-of-way under the procedures applicable to a tier 1 municipality.

SECTION 37. Amends Sections 43.121(a) and (c), Local Government Code, as follows:

(a) Requires the governing body of a home-rule municipality with more than 225,000 inhabitants by ordinance, subject to Section 43.1211, to annex an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area.

(c) Creates an exception under Section 43.1211 and makes a nonsubstantive change.

SECTION 38. Amends Subchapter F, Chapter 43, Local Government Code, by adding Section 43.1211, as follows:

Sec. 43.1211. AUTHORITY OF CERTAIN TIER 2 MUNICIPALITIES TO ANNEX FOR LIMITED PURPOSES. Authorizes a tier 2 municipality described by Section 43.121(a), except as provided by Section 43.0751, beginning December 1, 2017, to annex an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area using the procedures under Subchapter C-3, C-4, or C-5, as applicable.

SECTION 39. Amends Sections 43.141(a) and (b), Local Government Code, as follows:

(a) Authorizes a majority of the qualified voters of an annexed area to petition the governing body of the municipality to disannex the area if the municipality fails or refuses to provide services or to cause services to be provided to the area:

(1) if the municipality is a tier 1 municipality, within the period specified by Section 43.056 (Provision of Services to Annexed Area) or by the service plan prepared for the area under that section; or

(2) if the municipality is a tier 2 municipality, within the period specified by the written agreement under Section 43.0672 or the resolution under Section 43.0682 or 43.0692, as applicable.

(b) Requires the district court to enter an order disannexing the area if the court finds that a valid petition was filed with the municipality and that the municipality failed to:

(1) perform its obligations in accordance with the service plan under Section 43.056, the written agreement entered into under Section 43.0672, or the resolution adopted under Section 43.0682 or 43.0692, as applicable; or

(2) perform in good faith.

Deletes existing text requiring the district court to enter an order disannexing the area if the court finds that a valid petition was filed with the municipality and that the municipality failed to perform its obligations in accordance with the service plan or failed to perform in good faith.

SECTION 40. Amends Sections 43.203(a) and (b), Local Government Code, as follows:

(a) Authorizes the governing body of a certain municipal utility district (MUD) by resolution, notwithstanding any other law, to petition a municipality to alter the annexation status of land in the district from full-purpose annexation to limited-purpose annexation.

(b) Requires the governing body of the municipality, on receipt of the district's petition, to enter into negotiations with the district for an agreement to alter the status of annexation that is required to:

(1) makes no changes to this subdivision;

(2) provide that, at the expiration of the period, the district's annexation status will automatically revert to full-purpose annexation without following procedures provided by Sections 43.014 and 43.052 through 43.055 (Maximum Amount of

Annexation Each Year), rather than by Sections 43.051 through 43.055, or any other procedural requirement for annexation not in effect on January 1, 1995; and

(3) makes no changes to this subdivision.

SECTION 41. Amends Section 43.905(a), Local Government Code, to require a municipality that proposes to annex an area to provide written notice of the proposed annexation to each public school district located in the area proposed for annexation within the period prescribed for providing the notice of the first hearing under Section 43.0561, 43.063 (Annexation Hearing Requirements), 43.0673, 43.0683, or 43.0693, as applicable, rather than to provide written notice of the proposed annexation to each public school district located in the area proposed for annexation within the period prescribed for publishing the notice of the first hearing under Section 43.0561 or 43.063, as applicable.

SECTION 42. Amends Subchapter Z, Chapter 43, Local Government Code, by adding Section 43.9051, as follows:

Sec. 43.9051. EFFECT OF ANNEXATION ON PUBLIC ENTITIES OR POLITICAL SUBDIVISIONS. (a) Provides that, in this section, "public entity" includes a county, fire protection service provider, including a volunteer fire department, emergency medical services provider, including a volunteer emergency medical services provider, or special district, as that term is defined by Section 43.052.

(b) Requires a municipality that proposes to annex an area to provide written notice of the proposed annexation within the period prescribed for providing the notice of the first hearing under Section 43.0561, 43.063, 43.0673, 43.0683, or 43.0693, as applicable, to each public entity that is located in or provides services to the area proposed for annexation.

(c) Requires a municipality that proposes to enter into a strategic partnership agreement under Section 43.0751 to provide written notice of the proposed agreement within the period prescribed for providing the notice of the first hearing under Section 43.0751 to each political subdivision that is located in or provides services to the area subject to the proposed agreement.

(d) Requires that a notice to a public entity or political subdivision contain a description of:

(1) the area proposed for annexation;

(2) any financial impact on the public entity or political subdivision resulting from the annexation, including any changes in the public entity's or political subdivision's revenues or maintenance and operation costs; and

(3) any proposal the municipality has to abate, reduce, or limit any financial impact on the public entity or political subdivision.

(e) Prohibits the municipality from proceeding with the annexation unless the municipality provides the required notice under this section.

SECTION 43. Amends Section 8395.151, Special District Local Laws Code, as follows:

Sec. 8395.151. ANNEXATION BY MUNICIPALITY. (a) Creates this subsection from existing text. Requires the governing body of a municipality that plans to annex all or part of the Travis County MUD No. 3 to first adopt a resolution of intention to annex all or part of the Travis County MUD No. 3 and transmit that resolution to the Travis County MUD No. 3 and certain other districts in Travis County. Deletes existing text authorizing a municipality to annex the Travis County MUD No. 3 at a certain time.

(b) Requires the Travis County MUD No. 3 and each of the districts listed in Subsection (a), on receipt of a resolution described by Subsection (a), to call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) Authorizes the municipality to annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) Requires the municipality seeking annexation to pay the costs of the elections held under this section.

SECTION 44. Amends Section 8396.151, Special District Local Laws Code, as follows:

Sec. 8396.151. ANNEXATION BY MUNICIPALITY. (a) Creates this subsection from existing text. Requires the governing body of a municipality that plans to annex all or part of the Travis County MUD No. 4 to first adopt a resolution of intention to annex all or part of the Travis County MUD No. 4 and transmit that resolution to the Travis County MUD No. 4 and certain other districts in Travis County. Deletes existing text authorizing a municipality to annex the Travis County MUD No. 4 at a certain time.

(b) Requires the Travis County MUD No. 4 and each of the districts listed in Subsection (a), on receipt of a resolution described by Subsection (a), to call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) Authorizes the municipality to annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) Requires the municipality seeking annexation to pay the costs of the elections held under this section.

SECTION 45. Amends Section 8397.151, Special District Local Laws Code, as follows:

Sec. 8397.151. ANNEXATION BY MUNICIPALITY. (a) Creates this subsection from existing text. Requires the governing body of a municipality that plans to annex all or part of the Travis County MUD No. 5 to first adopt a resolution of intention to annex all or part of the Travis County MUD No. 5 and transmit that resolution to the Travis County MUD No. 5 and certain other districts in Travis County. Deletes existing text authorizing a municipality to annex the Travis County MUD No. 5 at a certain time.

(b) Requires the Travis County MUD No. 5 and each of the districts listed in Subsection (a), on receipt of a resolution described by Subsection (a), to call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) Authorizes the municipality to annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) Requires the municipality seeking annexation to pay the costs of the elections held under this section.

SECTION 46. Amends Section 8398.151, Special District Local Laws Code, as follows:

Sec. 8398.151. ANNEXATION BY MUNICIPALITY. (a) Creates this subsection from existing text. Requires the governing body of a municipality that plans to annex all or part of the Travis County MUD No. 6 to first adopt a resolution of intention to annex all or part of the Travis County MUD No. 6 and transmit that resolution to the Travis County

MUD No. 6 and certain other districts in Travis County. Deletes existing text authorizing a municipality to annex the Travis County MUD No. 6 at a certain time.

(b) Requires the Travis County MUD No. 6 and each of the districts listed in Subsection (a), on receipt of a resolution described by Subsection (a), to call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) Authorizes the municipality to annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) Requires the municipality seeking annexation to pay the costs of the elections held under this section.

SECTION 47. Amends Section 8399.151, Special District Local Laws Code, as follows:

Sec. 8399.151. ANNEXATION BY MUNICIPALITY. (a) Creates this subsection from existing text. Requires the governing body of a municipality that plans to annex all or part of the Travis County MUD No. 7 to first adopt a resolution of intention to annex all or part of the Travis County MUD No. 7 and transmit that resolution to the Travis County MUD No. 7 and certain other districts in Travis County. Deletes existing text authorizing a municipality to annex the Travis County MUD No. 7 at a certain time.

(b) Requires the Travis County MUD No. 7 and each of the districts listed in Subsection (a), on receipt of a resolution described by Subsection (a), to call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) Authorizes the municipality to annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) Requires the municipality seeking annexation to pay the costs of the elections held under this section.

SECTION 48. Amends Section 8400.151, Special District Local Laws Code, as follows:

Sec. 8400.151. ANNEXATION BY MUNICIPALITY. (a) Creates this subsection from existing text. Requires the governing body of a municipality that plans to annex all or part of the Travis County MUD No. 8 to first adopt a resolution of intention to annex all or part of the Travis County MUD No. 8 and transmit that resolution to the Travis County MUD No. 8 and certain other districts in Travis County. Deletes existing text authorizing a municipality to annex the Travis County MUD No. 8 at a certain time.

(b) Requires the Travis County MUD No. 8 and each of the districts listed in Subsection (a), on receipt of a resolution described by Subsection (a), to call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) Authorizes the municipality to annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) Requires the municipality seeking annexation to pay the costs of the elections held under this section.

SECTION 49. Amends Section 8401.151, Special District Local Laws Code, as follows:

Sec. 8401.151. ANNEXATION BY MUNICIPALITY. (a) Creates this subsection from existing text. Requires the governing body of a municipality that plans to annex all or part of the Travis County MUD No. 9 to first adopt a resolution of intention to annex all or part of the Travis County MUD No. 9 and transmit that resolution to the Travis County MUD No. 9 and certain other districts in Travis County. Deletes existing text authorizing a municipality to annex the Travis County MUD No. 9 at a certain time.

(b) Requires the Travis County MUD No. 9 and each of the districts listed in Subsection (a), on receipt of a resolution described by Subsection (a), to call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) Authorizes the municipality to annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) Requires the municipality seeking annexation to pay the costs of the elections held under this section.

SECTION 50. Amends Section 8489.109, Special District Local Laws Code, to change a reference to Section 43.021(2) (relating to authorizing a home-rule municipality to extend the boundaries of the municipality and annex area adjacent to the municipality), Local Government Code, to 43.003(2), Local Government Code.

SECTION 51. Amends Section 9038.110, Special District Local Laws Code, to change a reference to Section 43.021(2), Local Government Code, to Section 43.003(2), Local Government Code.

SECTION 52. Amends Section 9039.110, Special District Local Laws Code, to change a reference to Section 43.021(2), Local Government Code, to Section 43.003(2), Local Government Code.

SECTION 53. Amends Subtitle I, Title 6, Special District Local Laws Code, by adding Chapter 9073, as follows:

CHAPTER 9073. TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT
NO. 19; ANNEXATION

Sec. 9073.001. DEFINITION. Defines “district.”

Sec. 9073.002. ANNEXATION BY MUNICIPALITY. (a) Requires the governing body of a municipality that plans to annex all or part of Travis County Water Control and Improvement District (WCID) No. 19 to first to adopt a resolution of intention to annex all or part of the Travis County WCID No. 19 and transmit that resolution to Travis County WCID No. 19 and certain other districts in Travis County.

(b) Requires the Travis County WCID No. 19 and each of the districts listed in Subsection (a), on receipt of a resolution described by Subsection (a), to call an election to be held on the next uniform election date on the question of whether the annexation should be authorized.

(c) Authorizes the municipality to annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation.

(d) Requires the municipality seeking annexation to pay the costs of the elections held under this section.

SECTION 54. (a) Repealers: Sections 43.036 (Transfer of Area and Change in Boundaries Between Certain Municipalities), 43.0546 (Annexation of Certain Adjacent Areas by Populous

Municipalities), 43.056(d) (relating to certain services provided by a municipality with a population of 1.5 million or more) and (h) (relating to prohibiting a municipality with a population of 1.6 million or more from imposing a certain fee in the annexed area), 43.0565 (Arbitration Regarding Enforcement of Service Plan), 43.0567 (Provision of Water or Sewer Service in Populous Municipality), 43.1025(e) (relating to the applicability of this section to a certain home-rule municipality) and (g) (relating to authorizing the municipality to annex the area if the area is narrower than a certain width), and 43.906 (Voting Rights After Annexation), Local Government Code.

(b) Repealer: Section 43.056(p) (relating to the requirements of the service plan adopted by a certain municipality), Local Government Code, as amended by S.B. 1878, Acts of the 85th Legislature, Regular Session, 2017.

(c) Repealer: Section 5.701(n)(6) (relating to a certain penalty assessed against a certain municipality), Water Code.

(d) Provides that the repeal of Section 43.036, Local Government Code, by this Act does not affect a boundary change agreement entered into under that section, the release and transfer of area under a boundary change agreement entered into under that section, or the requirements related to a boundary change agreement entered into under that section.

(e) Provides that the repeal of Sections 43.056(d), (h), and (p) and Sections 43.0565 and 43.0567, Local Government Code, by this Act and the change in law made by this Act to Sections 43.056(l) and (n), Local Government Code, do not affect a right, requirement, limitation, or remedy provided for under those sections and applicable in an area annexed by a municipality for which the first hearing notice required by Section 43.0561 or 43.063, Local Government Code, as applicable, was published before December 1, 2017.

SECTION 55. Provides that the changes in law made by this Act apply to the annexation of an area subject to a development agreement entered into by a municipality with a population of more than 227,000 and less than 236,000, according to the 2010 federal decennial census, under Section 212.172 (Development Agreement), Local Government Code, before the effective date of this Act that is initiated on or after the expiration date provided for in the agreement. Provides that the annexation of an area subject to the agreement that is initiated before the expiration date of the agreement as the result of a termination of the agreement is governed by the law in effect on January 1, 2017, and the former law is continued in effect for that purpose.

SECTION 56. Provides that the changes in law made by this Act apply only to the annexation of an area that is not final on the effective date of this Act. Provides that an annexation of an area that was final before the effective date of this Act is governed by those portions of Chapter 43, Local Government Code, that relate to post-annexation procedures and requirements in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 57. Effective date: December 1, 2017.