

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATURE 1st CALLED SESSION - 2017

August 1, 2017

TO: Honorable Abel Herrero, Chair, House Committee on Land & Resource Management

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB57 by Schofield (Relating to the release of extraterritorial jurisdiction by certain populous municipalities for certain purposes, including municipal incorporation.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Local Government Code to restrict the authority of municipalities with a population of 1.8 million or more to regulate their extraterritorial jurisdiction (ETJ). The bill would require these municipalities to release areas from their ETJ upon receipt of a petition signed by a majority of registered voters in the area to be released and a petition from another municipality to add the area to its ETJ.

The provisions of the bill would have no direct implication to the operations of state government.

This bill takes effect immediately if it receives a vote of two-thirds of all the members elected to each house. If the bill does not receive the vote necessary for immediate effect, it takes effect December 1, 2017.

Local Government Impact

According to the City of Houston, current special purpose districts (SPDs) in close proximity to other municipalities could be annexed if enough registered voters living within these districts petitioned them to do so. Because these are often commercial areas, they could be removed from the City of Houston's ETJ with the support of registered voters representing only a minimal number of affected property and business owners. The City of Houston estimates this loss could run into hundreds of millions of dollars over time. The City of Houston also states that large portions of the City's ETJ are not part of SPDs currently and that significant future losses could occur if the City is forced to release ETJ to other jurisdictions.

Source Agencies:

LBB Staff: UP, SZ, SD, GP