

BILL ANALYSIS

C.S.H.B. 424
By: Huberty
Land & Resource Management
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note the need for greater transparency and property owner participation in the municipal annexation process. C.S.H.B. 424 seeks to address these issues by amending the law regarding municipal annexation.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 424 amends the Local Government Code to revise provisions relating to municipal annexation.

General Authority to Annex Provisions

C.S.H.B. 424 makes existing general annexation authority provisions applicable only to a municipality wholly located in one or more counties each with a population of less than 500,000 and expressly inapplicable to such a municipality if it proposes to annex an area in a county with a population of 500,000 or more, except that the applicability of a provision regarding the general authority of a home-rule municipality to annex area and take other actions regarding boundaries is unchanged and certain provisions apply to a municipality wholly located in one or more counties each with a population of less than 500,000, such a municipality that proposes to annex an area in a county with a population of 500,000 or more, and a municipality wholly or partly located in a county with a population of 500,000 or more. The bill specifies those provisions as:

- a provision authorizing the governing body of a Type A general-law municipality by ordinance to annex area that the municipality owns;
- a provision authorizing the annexation by ordinance of any navigable stream adjacent to the municipality and within the municipality's extraterritorial jurisdiction;
- a provision authorizing adjacent municipalities to make mutually agreeable changes in their boundaries of areas that are less than 1,000 feet in width;
- provisions relating to the authority of a municipality to annex area qualified for agricultural or wildlife management use or as timber land; and
- a provision prohibiting a municipality with a population of more than 175,000 located in a county that contains an international border and borders the Gulf of Mexico from

annexing an area that would cause another municipality to be entirely surrounded by the corporate limits or extraterritorial jurisdiction of the annexing municipality.

C.S.H.B. 424 removes from the provision authorizing the annexation of any navigable stream adjacent to the municipality and within the municipality's extraterritorial jurisdiction the restriction that the annexing municipality is a general-law municipality. The bill specifies that such an annexation or an annexation of area by a Type A general-law municipality that owns the area occurs under procedures prescribed for areas exempted from a municipal annexation plan.

C.S.H.B. 424 changes the applicability of a provision authorizing a municipality to annex area only in its extraterritorial jurisdiction unless the municipality owns the area from being applicable to annexations taking place under provisions relating to a municipal annexation plan to being applicable to annexations taking place under general annexation authority provisions that apply to a municipality wholly located in one or more counties each with a population of less than 500,000, such a municipality that proposes to annex an area in a county with a population of 500,000 or more, and a municipality wholly or partly located in a county with a population of 500,000 or more.

Provisions Relating to a Municipal Annexation Plan

C.S.H.B. 424 makes statutory provisions relating to the annexation procedure for an area annexed under a municipal annexation plan applicable only to a municipality wholly located in one or more counties each with a population of less than 500,000. The bill expressly makes such provisions inapplicable, unless otherwise specifically provided by municipal annexation provisions, to a municipality wholly or partly located in a county with a population of 500,000 or more and a municipality wholly located in one or more counties each with a population of less than 500,000 that proposes to annex an area in a county with a population of 500,000 or more. The bill repeals provisions that generally prohibit a municipality with a population of 1.6 million or more from annexing an area that is less than 1,500 feet wide at any point and require at least 1,500 feet of the perimeter of the area annexed by such a municipality to be coterminous with the boundary of the municipal area of the municipality. The bill removes the authorization for 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 and repeals certain provisions that relate to the provision of services to an annexed area by a municipality with a population of 1.5 million or more, that prohibit a municipality with a population of 1.6 million or more from imposing certain fees in an annexed area to maintain the level of services that existed in the area before annexation, and that relate to service plans completed by certain municipalities in a county with a population of more than 1 million and less than 1.5 million that have adopted municipal civil service for firefighters and police officers and directly employ firefighters. The bill also repeals provisions that relate to the duties of a municipality with a population of more than 1.6 million that includes within its boundaries annexed areas without water service, sewer service, or both.

Provisions Relating to an Area Exempted from a Municipal Annexation Plan

C.S.H.B. 424 makes statutory provisions relating to the annexation procedure for an area exempted from a municipal annexation plan applicable only to an area that is proposed for annexation by a municipality wholly located in one or more counties each with a population of less than 500,000. The bill expressly makes such provisions inapplicable, unless otherwise specifically provided by municipal annexation provisions, to an area that is proposed for annexation by a municipality wholly or partly located in a county with a population of 500,000 or more or by a municipality wholly located in one or more counties each with a population of less than 500,000 that proposes to annex an area in a county with a population of 500,000 or more. The bill removes an authorization for the governing body of a municipality with a population of 1.6 million or more 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.

Annexation Provisions Relating to a Municipality Wholly or Partly Located in a County with a Population of 500,000 or More

C.S.H.B. 424 sets out annexation provisions applicable only to a municipality wholly or partly located in a county with a population of 500,000 or more and to a municipality wholly located in one or more counties each with a population of less than 500,000 that proposes to annex an area in a county with a population of 500,000 or more. The bill authorizes a municipality to annex an area that is noncontiguous to the boundaries of the municipality if the area is in the municipality's extraterritorial jurisdiction. The bill sets out provisions relating to the provision of certain services to an annexed area that are applicable 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 an applicable written agreement or resolution.

C.S.H.B. 424 authorizes a municipality to annex an area if each owner of land in the area requests the annexation and provides for a written agreement regarding services and for public hearings with respect to such an annexation.

C.S.H.B. 424 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. The bill establishes procedures for such an annexation and provides for the adoption of a resolution by the municipality's governing body, notice of a proposed annexation, a public hearing, petition requirements and results, and voter approval by municipal residents on petition.

C.S.H.B. 424 authorizes a municipality to annex an area with a population of 200 or more only if 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, 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. The bill establishes procedures for such an annexation and provides for the adoption of a resolution by the municipality's governing body, notice of a proposed annexation, public hearings, a petition for property owner consent if applicable, election requirements, election and petition results, and voter approval by municipal residents on petition.

C.S.H.B. 424 establishes that its provisions relating to the annexation of an area on the request of the landowners, the annexation of an area with a population of less than 200, and the annexation of an area with a population of at least 200 do not affect the procedures described by certain provisions regarding strategic planning relating to military bases and defense facilities applicable to a defense community.

C.S.H.B. 424 authorizes a municipality, with respect to an industrial district designated by the municipality's governing body in the municipality's extraterritorial jurisdiction, to annex all or part of the district under the requirements applicable to a municipality wholly located in one or more counties each with a population of less than 500,000.

Other Provisions

C.S.H.B. 424 revises provisions relating to strategic partnerships for the continuation of certain districts with regard to applicable procedures for an annexation under those provisions. The bill restricts the authorization for a general-law municipality to annex a municipally owned reservoir without the consent of any owners or residents of the area and the authorization for a municipality to annex a municipally owned airport without such consent to a municipality

wholly located in one or more counties each with a population of less than 500,000 and, if there are no owners other than the municipality or residents of the area, a municipality wholly or partly located in a county with a population of 500,000 or more and a municipality wholly located in one or more counties each with a population of less than 500,000 that proposes to annex an area in a county with a population of 500,000 or more. The bill specifies that such an annexation occurs under the procedures applicable to a municipality wholly located in one or more counties each with a population of less than 500,000.

C.S.H.B. 424 replaces the authorization for a home-rule municipality that has a population of less than 11,000 and is located primarily in a county with a population of more than 3.3 million to annex a noncontiguous municipally owned airport without the consent of the owners or residents of the area with the authorization for such a municipality to annex such an airport under the requirements applicable to a municipality wholly or partly located in a county with a population of 500,000 or more. The bill repeals certain provisions that relate to such an annexation.

C.S.H.B. 424 restricts the authority granted to a general-law 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 that is adjacent and runs parallel to the boundaries of the municipality to such a municipality wholly located in one or more counties each with a population of less than 500,000. The bill restricts the authority granted to certain small general-law municipalities to annex, by ordinance and without the consent of any person, a public street, highway, road, or alley adjacent to the municipality to such a municipality wholly located in a county with a population of less than 500,000.

C.S.H.B. 424 authorizes a municipality wholly or partly located in a county with a population of 500,000 or more to annex by ordinance 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 municipality wholly located in one or more counties each with a population of less than 500,000. The bill requires a general-law municipality with a population of 500 or more wholly located in one or more counties each with a population of less than 500,000 and certain small general-law municipalities wholly located in a county with a population of less than 500,000 to comply with this provision if the municipality proposes to annex a road or right-of-way in a county with a population of 500,000 or more.

C.S.H.B. 424 prohibits a municipality wholly or partly located in a county with a population of 500,000 or more or a municipality wholly located in one or more counties each with a population of 500,000 or less that proposes to annex an area in a county with a population of 500,000 or more from annexing an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area, with certain exceptions. This prohibition applies beginning September 1, 2017.

C.S.H.B. 424 makes changes to provisions providing for the disannexation of an annexed area based on a municipality's failure to provide services to reflect the annexation procedures set out by the bill for municipalities wholly or partly located in a county with a population of 500,000 or more and municipalities wholly located in one or more counties each with a population of less than 500,000 that propose to annex an area in a county with a population of 500,000 or more. The bill makes changes to provisions relating to the alteration of the annexation status of certain municipal utility districts.

C.S.H.B. 424 repeals provisions that require a municipality to apply for preclearance under the federal Voting Rights Act of 1965 of any voting change resulting from an annexation or proposed annexation from the U.S. Department of Justice.

C.S.H.B. 424 amends the Special District Local Laws Code to make conforming changes.

C.S.H.B. 424 applies only to the annexation of an area that is not final on the bill's effective date. The bill provides for the effect of certain repeals.

Repealers

C.S.H.B. 424 repeals the following provisions of the Local Government Code:

- Section 43.036
- Section 43.0546
- Sections 43.056(d), (h), and (p)
- Section 43.0565
- Section 43.0567
- Sections 43.1025(e) and (g)
- Section 43.906

C.S.H.B. 424 repeals Section 5.701(n)(6), Water Code.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 424 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Section 43.021, Local Government Code, is transferred to Subchapter A, Chapter 43, Local Government Code, redesignated as Section 43.003, Local Government Code, and amended.	SECTION 1. Same as introduced version.
SECTION 2. Chapter 43, Local Government Code, is amended.	SECTION 2. Same as introduced version.
SECTION 3. Section 43.026, Local Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignated as Section 43.012, Local Government Code, and amended.	SECTION 3. Same as introduced version.
SECTION 4. Section 43.027, Local Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignated as Section 43.013, Local Government Code, and amended.	SECTION 4. Same as introduced version.
SECTION 5. Section 43.051, Local	SECTION 5. Same as introduced version.

Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, and redesignated as Section 43.014, Local Government Code.

SECTION 6. Section 43.031, Local Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, and redesignated as Section 43.015, Local Government Code.

SECTION 7. Section 43.035, Local Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignated as Section 43.016, Local Government Code, and amended.

SECTION 8. Section 43.037, Local Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, and redesignated as Section 43.017, Local Government Code.

SECTION 9. The heading to Subchapter B, Chapter 43, Local Government Code, is amended.

SECTION 10. Subchapter B, Chapter 43, Local Government Code, is amended.

SECTION 11. The heading to Subchapter C, Chapter 43, Local Government Code, is amended.

SECTION 12. Subchapter C, Chapter 43, Local Government Code, is amended.

SECTION 13. Section 43.052(h), Local Government Code, is amended.

SECTION 14. Section 43.054(a), Local Government Code, is amended.

SECTION 15. Section 43.056(l), Local Government Code, is amended.

SECTION 16. Section 43.0562(a), Local Government Code, is amended.

SECTION 17. Section 43.0563(a), Local

SECTION 6. Same as introduced version.

SECTION 7. Same as introduced version.

SECTION 8. Same as introduced version.

SECTION 9. Same as introduced version.

SECTION 10. Same as introduced version.

SECTION 11. Same as introduced version.

SECTION 12. Same as introduced version.

SECTION 13. Same as introduced version.

SECTION 14. Same as introduced version.

SECTION 15. Same as introduced version.

SECTION 16. Same as introduced version.

SECTION 17. Same as introduced version.

Government Code, is amended.

SECTION 18. The heading to Subchapter C-1, Chapter 43, Local Government Code, is amended.

SECTION 19. Section 43.061, Local Government Code, is amended.

SECTION 20. Section 43.062(a), Local Government Code, is amended.

SECTION 21. Section 43.064, Local Government Code, is amended.

SECTION 22. Chapter 43, Local Government Code, is amended by adding Subchapter C-2, transferring Section 43.030, Local Government Code, to added Subchapter C-2, redesignating Section 43.030, Local Government Code, as Section 43.0663, Local Government Code, and amending that section to read as follows:

SUBCHAPTER C-2. GENERAL ANNEXATION AUTHORITY AND PROCEDURES: MUNICIPALITIES WHOLLY OR PARTLY LOCATED IN COUNTY WITH POPULATION OF 500,000 OR MORE

Sec. 43.066. APPLICABILITY.

Sec. 43.0661. AUTHORITY TO ANNEX NONCONTIGUOUS AREAS.

Sec. 43.0662. PROVISION OF CERTAIN SERVICES TO ANNEXED AREA.

Sec. 43.0663 [43:030]. AUTHORITY OF MUNICIPALITY WITH POPULATION OF 74,000 TO 99,700 IN URBAN COUNTY TO ANNEX SMALL, SURROUNDED GENERAL-LAW MUNICIPALITY.

SECTION 18. Same as introduced version.

SECTION 19. Same as introduced version.

SECTION 20. Same as introduced version.

SECTION 21. Same as introduced version.

SECTION 22. Chapter 43, Local Government Code, is amended by adding Subchapter C-2 to read as follows:

SUBCHAPTER C-2. GENERAL ANNEXATION AUTHORITY AND PROCEDURES: MUNICIPALITIES WHOLLY OR PARTLY LOCATED IN COUNTY WITH POPULATION OF 500,000 OR MORE

Sec. 43.066. APPLICABILITY.

Sec. 43.0661. AUTHORITY TO ANNEX NONCONTIGUOUS AREAS.

Sec. 43.0662. PROVISION OF CERTAIN SERVICES TO ANNEXED AREA.

SECTION 23. Section 43.030, Local Government Code, is transferred to Subchapter C-2, Chapter 43, Local Government Code, as added by this Act, redesignated as Section 43.0663, Local Government Code, and amended to read as follows:

Sec. 43.0663 [43:030]. AUTHORITY OF MUNICIPALITY WITH POPULATION OF 74,000 TO 99,700 IN URBAN COUNTY TO ANNEX SMALL, SURROUNDED GENERAL-LAW MUNICIPALITY.

(Continued from SECTION 22.)

Sec. 43.0664. EFFECT ON OTHER LAW.

SECTION 23. Chapter 43, Local Government Code, is amended.

SECTION 24. Subchapter D, Chapter 43, Local Government Code, is amended by adding Section 43.0711 to read as follows:

Sec. 43.0711. LIMITATION ON AUTHORITY OF CERTAIN MUNICIPALITIES. (a) This section applies only to:

(1) a municipality wholly or partly located in a county with a population of 500,000 or more; and

(2) a municipality wholly located in one or more counties each with a population of less than 500,000 that proposes to annex an area in a county with a population of 500,000 or more.

(b) With respect to an industrial district identified by the governing body of a municipality or a special district, either of which is located in the extraterritorial jurisdiction of the municipality on September 1, 2017, the municipality may under the requirements applicable to a municipality wholly located in one or more counties each with a population of less than 500,000:

(1) annex the district; or

(2) enter into a strategic partnership agreement with the district that provides for limited purpose annexation.

(c) Except as provided by Subsection (b), beginning September 1, 2017, a municipality may not enter into a strategic partnership agreement that provides for limited purpose annexation.

SECTION 25. Sections 43.0715(b) and (c), Local Government Code, are amended.

No equivalent provision.

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Sec. 43.0664. EFFECT ON OTHER LAW.

SECTION 24. Same as introduced version.

SECTION 25. Subchapter D, Chapter 43, Local Government Code, is amended by adding Section 43.0711 to read as follows:

Sec. 43.0711. LIMITATION ON AUTHORITY OF CERTAIN MUNICIPALITIES. (a) This section applies only to:

(1) a municipality wholly or partly located in a county with a population of 500,000 or more; and

(2) a municipality wholly located in one or more counties each with a population of less than 500,000 that proposes to annex an area in a county with a population of 500,000 or more.

(b) With respect to an industrial district designated by the governing body of a municipality under Section 42.044, the municipality may annex all or part of the district under the requirements applicable to a municipality wholly located in one or more counties each with a population of less than 500,000.

SECTION 26. Same as introduced version.

SECTION 27. Section 43.0751, Local Government Code, is amended by amending Subsection (h) and adding Subsection (s) to read as follows:

(h) On the full-purpose annexation conversion date set forth in the strategic partnership agreement pursuant to Subsection (f)(5) [~~(f)(5)(A)~~], the land included within the boundaries of the

17.119.202

district shall be deemed to be within the full-purpose boundary limits of the municipality without the need for further action by the governing body of the municipality. The full-purpose annexation conversion date established by a strategic partnership agreement may be altered only by mutual agreement of the district and the municipality. However, nothing herein shall prevent the municipality from terminating the agreement and instituting proceedings to annex the 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 municipality wholly located in one or more counties each with a population of less than 500,000. Land annexed for limited or full purposes under this section shall not be included in calculations prescribed by Section 43.055(a).

(s) Notwithstanding any other law, the procedures prescribed by Subchapters C-3, C-4, and C-5 do not apply to the annexation of an area under this section.

SECTION 26. The heading to Section 43.101, Local Government Code, is amended.

SECTION 27. Section 43.101(c), Local Government Code, is amended.

SECTION 28. Section 43.102(c), Local Government Code, is amended.

SECTION 29. Section 43.1025(c), Local Government Code, is amended.

SECTION 30. The heading to Section 43.103, Local Government Code, is amended.

SECTION 31. Section 43.103(a), Local Government Code, is amended.

SECTION 32. Section 43.105, Local Government Code, is amended.

SECTION 33. Subchapter E, Chapter 43, Local Government Code, is amended.

SECTION 28. Same as introduced version.

SECTION 29. Same as introduced version.

SECTION 30. Same as introduced version.

SECTION 31. Same as introduced version.

SECTION 32. Same as introduced version.

SECTION 33. Same as introduced version.

SECTION 34. Same as introduced version.

SECTION 35. Same as introduced version.

SECTION 34. Sections 43.121(a) and (c), Local Government Code, are amended.

SECTION 35. Subchapter F, Chapter 43, Local Government Code, is amended by adding Section 43.1211 to read as follows:

Sec. 43.1211. AUTHORITY OF MUNICIPALITIES WHOLLY OR PARTLY LOCATED IN COUNTY WITH POPULATION OF 500,000 OR MORE TO ANNEX FOR LIMITED PURPOSES. Except as provided by Section 43.0711(b), beginning September 1, 2017, a municipality described below may not annex an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area:

(1) a municipality wholly or partly located in a county with a population of 500,000 or more; or

(2) a municipality wholly located in one or more counties each with a population of 500,000 or less that proposes to annex an area in a county with a population of 500,000 or more.

SECTION 36. Sections 43.141(a) and (b), Local Government Code, are amended.

SECTION 37. Sections 43.203(a) and (b), Local Government Code, are amended to read as follows:

(a) Unless a municipality is prohibited from annexing for limited purposes under Section 43.1211, the [The] governing body of a district by resolution may petition a municipality to alter the annexation status of land in the district from full-purpose annexation to limited-purpose annexation.

(b) On receipt of the district's petition, the governing body of the municipality shall enter into negotiations with the district for an agreement to alter the status of annexation that must:

(1) specify the period, which may not be less than 10 years beginning on January 1 of the year following the date of the agreement, in which limited-purpose annexation is in effect;

(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

SECTION 36. Same as introduced version.

SECTION 37. Subchapter F, Chapter 43, Local Government Code, is amended by adding Section 43.1211 to read as follows:

Sec. 43.1211. AUTHORITY OF MUNICIPALITIES WHOLLY OR PARTLY LOCATED IN COUNTY WITH POPULATION OF 500,000 OR MORE TO ANNEX FOR LIMITED PURPOSES. Except as provided by Section 43.0711(b) or 43.0751, beginning September 1, 2017, a municipality described below may not annex an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area:

(1) a municipality wholly or partly located in a county with a population of 500,000 or more; or

(2) a municipality wholly located in one or more counties each with a population of 500,000 or less that proposes to annex an area in a county with a population of 500,000 or more.

SECTION 38. Same as introduced version.

SECTION 39. Sections 43.203(a) and (b), Local Government Code, are amended to read as follows:

(a) Notwithstanding any other law, the [The] governing body of a district by resolution may petition a municipality to alter the annexation status of land in the district from full-purpose annexation to limited-purpose annexation.

(b) On receipt of the district's petition, the governing body of the municipality shall enter into negotiations with the district for an agreement to alter the status of annexation that must:

(1) specify the period, which may not be less than 10 years beginning on January 1 of the year following the date of the agreement, in which limited-purpose annexation is in effect;

(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

[43.051] through 43.055 or any other procedural requirement for annexation not in effect on January 1, 1995; and

(3) specify the financial obligations of the district during and after the period of limited-purpose annexation for:

(A) facilities constructed by the municipality that are in or that serve the district;

(B) debt incurred by the district for water and sewer infrastructure that will be assumed by the municipality at the end of the period of limited-purpose annexation; and

(C) use of the municipal sales taxes collected by the municipality for facilities or services in the district.

SECTION 38. Section 43.905(a), Local Government Code, is amended.

SECTION 39. Section 8489.109, Special District Local Laws Code, is amended.

SECTION 40. Section 9038.110, Special District Local Laws Code, is amended.

SECTION 41. Section 9039.110, Special District Local Laws Code, is amended.

SECTION 42. (a) Sections 43.036, 43.0546, 43.056(d), (h), and (p), 43.0565, 43.0567, 43.1025(e) and (g), and 43.906, Local Government Code, are repealed.

(b) Section 5.701(n)(6), Water Code, is repealed.

(c) 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.

(d) 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 Section 43.056(l), 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

[43.051] through 43.055 or any other procedural requirement for annexation not in effect on January 1, 1995; and

(3) specify the financial obligations of the district during and after the period of limited-purpose annexation for:

(A) facilities constructed by the municipality that are in or that serve the district;

(B) debt incurred by the district for water and sewer infrastructure that will be assumed by the municipality at the end of the period of limited-purpose annexation; and

(C) use of the municipal sales taxes collected by the municipality for facilities or services in the district.

SECTION 40. Same as introduced version.

SECTION 41. Same as introduced version.

SECTION 42. Same as introduced version.

SECTION 43. Same as introduced version.

SECTION 44. Same as introduced version.

notice required by Section 43.0561 or 43.063, Local Government Code, as applicable, was published before September 1, 2017.

SECTION 43. The changes in law made by this Act do not apply to an annexation for which the first hearing notice required by Section 43.0561 or 43.063, Local Government Code, as applicable, was published before September 1, 2017. An annexation described by this section is governed by the law in effect at the time the notice was published, and the former law is continued in effect for that purpose.

SECTION 44. This Act takes effect September 1, 2017.

SECTION 45. 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. 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 46. Same as introduced version.