BILL ANALYSIS

Senate Research Center

S.B. 1870 By: Hinojosa Intergovernmental Relations 4/22/2019 As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 6 from the 85th Special Session divided counties and municipalities into two categories for the purpose of annexation authority:

- A "tier 1 county" is a county with a population of fewer than 500,000. A "tier 1 municipality" is a city wholly located in one or more tier 1 counties that proposed to annex an area wholly located in one or more tier 1 counties. For the most part, tier 1 cities are subject to the former annexation requirements.
- A "tier 2 county" is a county with a population of 500,000 or more. A "tier 2 municipality" is one wholly or partly located in a tier 2 county or is one wholly located in one or more tier 1 counties that proposed to annex any part of a tier 2 county. Tier 2 municipalities are subject to new requirements under S.B. 6.

Texas is now the only state in the union to strip cities of unilateral annexation authority without providing general state financial assistance or state revenue-sharing. There are 12 counties in Texas with populations over 500,000 and thus subject to S.B. 6's annexation requirements. Unfortunately, because the law was written to address county size, rather than the size of a municipality, many small cities located in counties with large populations are affected by these requirements. For example, Hidalgo County, with a population of more than 800,00 is considered a tier 2 county. The biggest municipality within the county has a population of only about 143,000. There are many cities with larger populations than 143,000 that are not subjected to S.B. 6's annexation requirements because they are located in counties with a population under 500,000. This is a huge concern, especially for communities along the United States/Mexico border, because land that is not annexed is subject to substandard development processes as counties do not enforce building or housing codes. Under current law, municipalities are subjectively regulated based on the size of their county and not on their current population.

S.B. 1870 will correct the unintended inequality of S.B. 6 by limiting annexation abilities for municipalities with a population of over 500,000. S.B. 1870 creates two tiers of municipalities—tier 1 with populations less than 500,000 and tier 2 with populations more than 500,000. This bill allows for the citizens of smaller cities to be included in stronger annexation requirements by petitioning the county for a vote. Ten percent of the citizens of the county can petition for an election. A majority of the voters can elect that a municipality to be considered a tier 2 municipality and thus subjected to limited annexation abilities.

As proposed, S.B. 1870 amends current law relating to municipal annexation.

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 Sections 43.001(2) and (3), Local Government Code, as follows:

- (2) Defines "tier 1 municipality" rather than "tier 1 county" and makes conforming changes throughout.
- (3) Defines "tier 2 municipality" rather than "tier 2 county," removes the specification that it is a tier 1 county that meets certain requirements, and makes conforming changes throughout.

SECTION 2. Amends Subchapter A, Chapter 43, Local Government Code, by adding Section 43.004, as follows:

Sec. 43.004. PETITION FOR ELECTION ON CONSIDERATION AS TIER 2 MUNICIPALITY. (a) Authorizes the registered voters of a county that includes a tier 1 municipality to file a petition with the county commissioners court requesting an election in the county to determine whether the tier 1 municipality should be considered a tier 2 municipality for the purposes of this chapter (Municipal Annexation). Requires the petition to contain the signatures of at least 10 percent of the registered voters of the county.

- (b) Requires a county commissioners court that receives a petition for an election under Subsection (a) to:
 - (1) verify the signatures on the petition; and
 - (2) order the election if the county verifies that the petition satisfies the signature requirement under Subsection (a).
- (c) Provides that if a majority of the votes cast at an election held under Subsection (b) favor the proposition, the municipality is considered a tier 2 municipality for the purposes of this chapter.

SECTION 3. Amends Section 43.054(a), Local Government Code, to prohibit a municipality from annexing a publicly or privately owned area, including a strip of area following the course of a road, highway, river, stream, or creek, unless the width of the area at its narrowest point is at least 50 feet, rather than 1,000 feet.

SECTION 4. Transfers Section 43.0662, Local Government Code, to Subchapter B, Chapter 43, Local Government Code, and redesignates it as Section 43.035, as follows:

Sec. 43.035. AUTHORITY OF MUNICIPALITY WITH POPULATION OF 74,000 TO 99,700 IN URBAN COUNTY TO ANNEX SMALL, SURROUNDED GENERAL-LAW MUNICIPALITY. (a)-(j) Makes no further changes to these subsections.

SECTION 5. Amends Section 43.1025(c), Local Government Code, to authorize a certain area to be annexed under the requirements applicable to a tier 1 municipality, rather than applicable to a tier 2 municipality.

SECTION 6. Repealer: Section 43.001(4) (relating to the definition of "tier 1 municipality"), Local Government Code.

Repealer: Section 43.001(5) (relating to the definition of "tier 2 municipality"), Local Government Code.

SECTION 7. Effective date: September 1, 2019.