

BILL ANALYSIS

Senate Research Center
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S.B. 1168
By: Campbell
Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, certain municipalities may impose fines and fees on residents in their extraterritorial jurisdiction (ETJ), even when the area has been disannexed or the voters rejected an attempt to govern them through a municipal annexation election required by recent changes to state law.

The principle of no taxation without representation is fundamental to American government. In the 85th session, the legislature passed S.B. 6 to give Texas citizens living outside the city limits a voice in who governs them by voting on municipal annexation.

Unfortunately, many of these same Texans now find themselves subject to regulation without representation, including the threat of municipal fines and fees, after voting against annexation at the ballot box.

Under existing state law, municipalities have the authority to impose fines and fees on these residents because they still reside in the city's ETJ. S.B. 1168 protects the rights guaranteed by S.B. 6 by prohibiting municipalities from imposing fines and fees in the ETJ where voters have rejected annexation or the area has been disannexed.

This is a refile of S.B. 422 from the 86th Legislature. It passed the Intergovernmental Affairs Committee favorably and passed the Senate 22-9.

S.B. 1168 promotes the rights of citizens and protects the will of voters by prohibiting municipalities from imposing fines and fees in the ETJ of an area that has either been disannexed or where an annexation attempt has failed at the ballot box.

As proposed, S.B. 1168 amends current law relating to the authority of a municipality to impose a fine or fee in certain areas in the municipality's extraterritorial jurisdiction.

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 Subchapter Z, Chapter 42, Local Government Code, by adding Section 42.9025, as follows:

Sec. 42.9025. RESTRICTION ON IMPOSING FINE OR FEE IN CERTAIN AREAS IN EXTRATERRITORIAL JURISDICTION. (a) Provides that this section applies only to an area that is located in a municipality's extraterritorial jurisdiction and:

- (1) that has been disannexed from the municipality under Subchapter G (Disannexation), Chapter 43 (Municipal Annexation); or
- (2) for which the municipality has attempted and failed to obtain consent for annexation under Subchapter C-4 (Annexation of Areas with

Population of Less Than 200 by Petition) or C-5 (Annexation of Areas with Population of at Least 200 by Election), Chapter 43.

(b) Prohibits a municipality, notwithstanding any other law, from imposing under a municipal ordinance a fine or fee on a person on the basis of an activity that occurs wholly in an area described by Subsection (a), or on the basis of the management or ownership of property located wholly in an area described by Subsection (a).

(c) Provides that this section does not limit a municipality, including a municipally owned retail water, wastewater, or drainage utility, from imposing in an area described by Subsection (a) a fine or fee, including through the adoption and enforcement of rates, for water, sewer, drainage, or other related utility services.

(d) Provides that this section does not apply to development or redevelopment in an area in which an election was held under Section 43.0117 (Authority of Municipality to Annex Area Near Military Base).

SECTION 2. Effective date: upon passage or September 1, 2021.