

By: Deshotel

H.B. No. 2776

Substitute the following for H.B. No. 2776:

By: Spiller

C.S.H.B. No. 2776

A BILL TO BE ENTITLED

1 AN ACT
2 relating to municipal release of extraterritorial jurisdiction and
3 disannexation involving certain areas.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter B, Chapter 42, Local Government Code,
6 is amended by adding Section 42.0252 to read as follows:

7 Sec. 42.0252. RELEASE OF EXTRATERRITORIAL JURISDICTION:
8 CERTAIN AREAS. (a) This section applies only in the
9 extraterritorial jurisdiction of a municipality to:

10 (1) an area that is subject to a legal determination
11 that the municipality failed to provide or agree to provide
12 adequate services to the area; or

13 (2) an area that is:

14 (A) adjacent to an area described by Subdivision
15 (1);

16 (B) part of a real estate subdivision that
17 contains all or part of an area described by Subdivision (1); and

18 (C) under the jurisdiction of a single property
19 owners' association that governs the entire real estate
20 subdivision.

21 (b) For purposes of this section, a real estate subdivision
22 is:

23 (1) the subdivision's platted area; and

24 (2) adjacent property owned or subject to assessment

1 by the property owners' association of the subdivision.

2 (c) A majority of the registered voters in an area described
3 by Subsection (a)(1) or in a portion of the area may petition the
4 municipality to release the area from the municipality's
5 extraterritorial jurisdiction.

6 (d) A majority of the registered voters in an area described
7 by Subsection (a)(2) may petition the municipality to release the
8 area from the municipality's extraterritorial jurisdiction if a
9 petition has been filed under Subsection (c) for another area
10 located in the same real estate subdivision.

11 (e) A petition described by this section must be filed with
12 the secretary or clerk of the municipality.

13 (f) Not later than the 10th day after the date the secretary
14 or clerk receives a petition under this section, the secretary or
15 clerk shall determine whether the petition is valid. If the
16 petition is determined valid, the governing body of the
17 municipality shall immediately enter in the minutes or records of
18 the municipality an order releasing the area from the
19 municipality's extraterritorial jurisdiction.

20 (g) After an area is released from a municipality's
21 extraterritorial jurisdiction under this section, the area may:

22 (1) remain as an unincorporated area of the county;

23 (2) incorporate in accordance with state law; or

24 (3) notwithstanding Section 43.014, be annexed by an
25 adjacent municipality under the procedures prescribed by
26 Subchapter C-3, C-4, or C-5, Chapter 43, as applicable, without
27 being located in the municipality's extraterritorial jurisdiction.

1 SECTION 2. Subchapter G, Chapter 43, Local Government Code,
2 is amended by adding Section 43.1435 to read as follows:

3 Sec. 43.1435. DISANNEXATION BY PETITION: CERTAIN REAL
4 ESTATE SUBDIVISIONS. (a) This section applies only to an area
5 that constitutes a portion of a real estate subdivision that is:

6 (1) located in and contiguous to the boundary of a
7 municipality;

8 (2) under the jurisdiction of a property owners'
9 association that governs the entire real estate subdivision; and

10 (3) either:

11 (A) subject to a legal determination that the
12 municipality failed to provide or agree to provide adequate
13 services to the area; or

14 (B) adjacent to another area in the subdivision
15 that is subject to a legal determination described by Paragraph
16 (A).

17 (b) For purposes of this section, a real estate subdivision
18 is:

19 (1) the subdivision's platted area; and

20 (2) adjacent property owned or subject to assessment
21 by the property owners' association of the subdivision.

22 (c) A majority of the registered voters of an area subject
23 to this section may petition the municipality to disannex the area.
24 The petition must be filed with the secretary or clerk of the
25 municipality.

26 (d) Not later than the 10th day after the date the secretary
27 or clerk receives the petition under Subsection (c), the secretary

1 or clerk shall determine whether the petition is valid. If the
2 petition is determined valid, the governing body of the
3 municipality shall immediately enter in the minutes or records of
4 the municipality an order discontinuing the area as part of the
5 municipality. The area ceases to be a part of the municipality on
6 the date of the entry of the order.

7 (e) A disannexation under this section does not authorize
8 the impairment of a municipal debt obligation and, to the extent
9 applicable, the area is not released from its pro rata share of that
10 indebtedness. The governing body shall continue to levy a property
11 tax each year on the property in the area at the same rate that is
12 levied on other property in the municipality until the taxes
13 collected from the area equal its pro rata share of the
14 indebtedness. Those taxes may be charged only with the cost of
15 levying and collecting the taxes, and the taxes shall be applied
16 exclusively to the payment of the pro rata share of the
17 indebtedness. This subsection does not prevent the inhabitants of
18 the area from paying in full at any time their pro rata share of the
19 indebtedness.

20 SECTION 3. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2021.