

By: Campbell

S.B. No. 1168

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a municipality to impose a fine or fee in certain areas in the municipality's extraterritorial jurisdiction.

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

SECTION 1. Subchapter 2, Chapter 42, Local Government Code, is amended by adding Section 42.9025 to read as follows:

Sec. 42.9025. RESTRICTION ON IMPOSING FINE OR FEE IN CERTAIN AREAS IN EXTRATERRITORIAL JURISDICTION. (a) 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, Chapter 43; or

(2) for which the municipality has attempted and failed to obtain consent for annexation under Subchapter C-4 or C-5, Chapter 43.

(b) Notwithstanding any other law, a municipality may not impose under a municipal ordinance a fine or fee on a person on the basis of:

(1) an activity that occurs wholly in an area described by Subsection (a); or

(2) the management or ownership of property located wholly in an area described by Subsection (a).

(c) This section does not limit a municipality, including a

1 municipally owned retail water, wastewater, or drainage utility,  
2 from imposing in an area described by Subsection (a) a fine or fee,  
3 including through the adoption and enforcement of rates, for water,  
4 sewer, drainage, or other related utility services.

5 (d) This section does not apply to development or  
6 redevelopment in an area in which an election was held under Section  
7 [43.0117](#).

8 SECTION 2. This Act takes effect immediately if it receives  
9 a vote of two-thirds of all the members elected to each house, as  
10 provided by Section [39](#), Article III, Texas Constitution. If this  
11 Act does not receive the vote necessary for immediate effect, this  
12 Act takes effect September 1, 2021.