

By: Campbell
(Bell of Montgomery)

S.B. No. 1168

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of a municipality to impose a fine or fee
3 in certain areas in the municipality's extraterritorial
4 jurisdiction.

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

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

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

12 (1) that has been disannexed from the municipality
13 under Subchapter G, Chapter 43; or

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

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

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

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

24 (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.