

By: Tepper

H.B. No. 2561

A BILL TO BE ENTITLED

AN ACT

relating to the municipal disannexation of areas annexed during a certain period of time.

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

SECTION 1. Subchapter G, Chapter 43, Local Government Code, is amended by adding Section 43.1463 to read as follows:

Sec. 43.1463. DISANNEXATION OF AREAS ANNEXED DURING TRANSITION FROM NONCONSENT TO CONSENT ANNEXATION MODEL. (a) This section applies only to an area for which annexation was finalized between March 3, 2015, and May 24, 2019.

(b) On November 7, 2023, a municipality shall hold an election in an area described by Subsection (a) on the question of disannexing the area from the municipality. The municipality:

(1) may not use public money on promotional campaigns or advocacy related to the election; and

(2) shall ensure that the ballot proposition for the election:

(A) describes the area to be disannexed;

(B) identifies the area by the commonly used name of the area, if applicable;

(C) identifies the entities that will provide law enforcement, fire, and emergency services after disannexation;

(D) describes the effect of disannexation on ad valorem taxes and fees in the area; and

1 (E) describes the effect of disannexation on
2 special districts located in the area.

3 (c) A municipality shall disannex an area described by
4 Subsection (a), including residential and commercial property in
5 the area, if the voters approve the disannexation in the election
6 held under Subsection (b).

7 (d) A municipality shall retain ownership of any
8 infrastructure, including a water treatment and storage facility,
9 transferred to the municipality from a special district as part of
10 the annexation of an area disannexed under this section.

11 (e) After an area is disannexed under this section:

12 (1) a special district located in and serving the area
13 may be dissolved only if the members of the governing body of the
14 district elect to dissolve the district after the disannexation;
15 and

16 (2) an emergency services district located in or
17 adjacent to the area shall provide services to the area.

18 (f) A disannexation under this section does not authorize
19 the impairment of a municipal debt obligation and, to the extent
20 applicable, the area is not released from its pro rata share of that
21 indebtedness. The municipality shall continue to impose a property
22 tax each year on the property in the area at the same rate that is
23 imposed on other property in the municipality until the taxes
24 collected from the area equal its pro rata share of the
25 indebtedness. Those taxes may be charged only with the cost of
26 imposing and collecting the taxes, and the taxes shall be applied
27 exclusively to the payment of the pro rata share of the

1 indebtedness. This subsection does not prevent the inhabitants of
2 the area from paying in full at any time their pro rata share of the
3 indebtedness.

4 SECTION 2. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2023.