

BILL ANALYSIS

C.S.H.B. 2494
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Land & Resource Management
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Municipalities that annexed areas must provide essential services to those areas within a certain time frame and some municipalities fail to meet these obligations, leaving property owners without access to these essential services. While the bill author has informed the committee that current law allows voters in certain areas to petition for disannexation if services are not provided, there are limitations on who qualifies for the process, which itself can be unclear. C.S.H.B. 2494 seeks to strengthen the ability of residents to seek disannexation for a municipality's failure to provide services by revising procedures for petitioning the governing body of a municipality for disannexation.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2494 amends the Local Government Code to revise the disannexation petition process with respect to a municipality's failure or refusal to provide certain services by doing the following:

- changing the requisite threshold to initiate the petition from a majority of the qualified voters of an annexed area to a majority of the property owners of an area, including one or more lots, tracts, or parcels, or a portion of a lot, tract, or parcel;
- expanding the areas in which the petition may be initiated to include an area that did not become part of a municipality in compliance with and under statutory provisions relating to limitations and requirements regarding annexations exempted from consent annexation procedures; and
- expanding the conditions under which the petition may be initiated to include the municipality's failure to provide water and wastewater system services.

The bill, with respect to a cause of action brought by the signers of a petition in district court following the failure or refusal of the governing body of the municipality to disannex the area, specifies that the Texas Rules of Civil Procedure under which such a case must be advanced and heard without further delay are rules for expedited actions. The bill requires the district court in such a case to award attorney's fees to the signers of the petition upon finding that a valid petition was filed with the municipality and the municipality failed to do the following:

- perform certain obligations;
- perform in good faith; or

- connect the majority of the properties in the area covered by the petition, regardless of whether the area was annexed by the municipality, to the municipality's water and wastewater systems, if any other area in the municipality is connected to the municipality's water and wastewater systems.

The bill expands the circumstances under which the district court must enter an order disannexing the area to include a finding by the court that a valid petition was filed with the municipality and that the municipality failed to make the requisite water and wastewater connections as provided by the bill.

C.S.H.B. 2494 revises the required contents of the petition as follows:

- replaces the requirement that the petition be signed in ink or indelible pencil by the appropriate voters with a requirement that the petition be signed in ink or indelible pencil by the appropriate property owners;
- removes the requirement that the petition be signed by each voter as that person's name appears on the most recent official list of registered voters;
- replaces the requirement that the petition contain a note made by each voter stating the person's residence address and the precinct number and voter registration number that appear on the person's voter registration certificate with a requirement that the petition contain a note made by each property owner stating the person's residence address; and
- includes a survey of the applicable area as a sufficient attachment option for purposes of satisfying the requirement to attach a likeness of the area to the description of the area that must be included in the petition.

C.S.H.B. 2494 establishes that if an area that did not become part of the municipality in compliance with and under provisions relating to limitations and requirements regarding annexations exempted from consent annexation procedures is disannexed following a municipality's failure to provide municipal services, the landowners of the area are not eligible for a refund of taxes or fees for the area. The bill prohibits the disannexation of an area following a municipality's failure to provide certain services from including land that comprises the bed of a navigable waterway.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 2494 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Both the introduced and substitute revise the requisite threshold that may initiate the petition. With respect to the authorization for a majority of qualified voters of an annexed area to initiate the petition, the introduced removed the specification that such qualified voters be of the annexed area, whereas the substitute changes the requisite threshold to initiate the petition from a majority of the qualified voters of an annexed area to a majority of the property owners of an area, including one or more lots, tracts, or parcels, or a portion of a lot, tract, or parcel.

Both the introduced and substitute revise the circumstances under which a district court must enter an order disannexing the applicable area but differ as follows:

- the introduced included as such a circumstance the court finding that a valid petition was filed with the municipality and that the municipality failed to provide the following municipal services to the area, regardless of whether the area was annexed, but provides those services to other areas in the municipality:
 - police and fire protection;
 - emergency medical services;

- solid waste collection, as applicable; and
- operation and maintenance of the following:
 - water and wastewater facilities in the annexed area that are not within the service area of another water or wastewater utility;
 - roads and streets, including road and street lighting; and
 - any other publicly owned facility, building, or service; and
- the substitute instead includes as such a circumstance the court finding that a valid petition was filed with the municipality and that the municipality has not connected the majority of the properties in the area covered by the petition, regardless of whether the area was annexed by the municipality, to the municipality's water and wastewater systems, if any other area in the municipality is connected to the municipality's water and wastewater systems.

The substitute includes provisions absent from the introduced doing the following:

- revising the required contents of the petition;
- establishing that if an area that did not become part of the municipality in compliance with and under provisions relating to limitations and requirements regarding annexations exempted from consent annexation procedures is disannexed following a municipality's failure to provide municipal services, the landowners of the area are not eligible for a refund of taxes or fees for the area; and
- prohibiting the disannexation of an area following a municipality's failure to provide certain services from including land that comprises the bed of a navigable waterway.