

BILL ANALYSIS

H.B. 4373
By: Dean
Land & Resource Management
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In 2023, the 88th Legislature passed H.B. 3053, which allowed certain areas that had been forcibly annexed by a municipality during the state's transition from nonconsent to consent annexation to vote whether to disannex from the annexing municipality. The bill author has informed the committee that in May 2024 there was an election for six different areas that qualified for an election, three of which chose to disannex. The bill author has also informed the committee that some areas forcibly annexed entered into strategic partnership agreements with the annexing municipality that created limited districts which essentially serve as neighborhood homeowners' associations for the annexed areas, allowing for some self-control of the affected areas. Although those districts could continue after disannexation under H.B. 3053, with dissolution allowed only if elected by the district's governing body, the bill author has informed the committee of concerns that statute is silent as to the districts' ability to continue operating with the same powers and authorities as they did prior to disannexation and the strategic partnership agreement being terminated.

H.B. 4373 seeks to address these concerns by providing for the authority of an applicable limited district that was created by the conversion of a special district to exercise all powers and duties granted to the former special district by law in the portion of the disannexed area located in the district.

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

H.B. 4373 amends the Local Government Code to authorize a limited district that was created by the conversion of a special district under a strategic partnership agreement, and that is located in and serving an area that is disannexed under statutory provisions relating to the disannexation of certain areas annexed during the transition from the nonconsent to consent annexation model, to exercise all powers and duties granted to the former special district by law in the portion of the disannexed area located in the district, notwithstanding the strategic partnership agreement or other agreement executed by the district and the disannexing municipality before the disannexation.

EFFECTIVE DATE

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