

BILL ANALYSIS

Senate Research Center
89R13068 CS-F

S.B. 2523
By: Bettencourt
Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

During the 88th Regular Session, the legislature passed S.B. 2038 into law, which allows land in a municipal extraterritorial jurisdiction (ETJ) to be released from the ETJ via a petition or election initiated by a landowner.

S.B. 2523 explicitly allows for a municipal ETJ to be reduced via a petition or election filed in compliance with Subchapters D or E of Chapter 42, Local Government Code, to clarify a perceived inconsistency in S.B. 2038.

S.B. 2523 also clarifies that an area subject to a removal petition may only include parcels for which the owner or owners have an ownership interest and requires a municipality to provide notice to all area residents if the municipality receives a removal petition.

Finally, S.B. 2523 allows a landowner to opt out of any removal efforts before an area is released from a municipal ETJ.

As proposed, S.B. 2523 amends current law relating to the release of an area from the extraterritorial jurisdiction of a municipality by petition.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 42.023, Local Government Code, as follows:

Sec. 42.023. REDUCTION OF EXTRATERRITORIAL JURISDICTION. Prohibits the extraterritorial jurisdiction of a municipality from being reduced unless the governing body of the municipality gives its written consent by ordinance or resolution, except under certain circumstances, including as necessary to comply with Subchapter D (Release of Area by Petition of Landowner or Resident From Extraterritorial Jurisdiction) or E (Release of Area by Election From Extraterritorial Jurisdiction). Makes nonsubstantive changes.

SECTION 2. Amends Section 42.102, Local Government Code, as follows:

Sec. 42.102. AUTHORITY TO FILE PETITION FOR RELEASE. (a) Provides that a resident is authorized only to file for release of an area if the resident resides in the area subject to the release.

(b) Provides that an area that is the subject of the petition is authorized only to include parcels for which the owner or owners have an ownership interest.

SECTION 3. Amends Section 42.104(a), Local Government Code, to require a petition requesting release under this subchapter to be signed by certain persons, including a majority in value of the holders of title of land in the area described by the petition, based on the aggregated

appraised value of all real property located in the area as indicated by the most recent appraisal roll submitted to the municipality under Chapter 26 (Assessment), Tax Code, rather than the tax rolls of the applicable central appraisal district.

SECTION 4. Amends Section 42.105, Local Government Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Requires the municipality to notify the residents and landowners of the area described by the petition that the municipality has received the petition. Requires the municipality to provide the notice required by this subsection not later than the seventh business day after the date the municipality receives the petition.

(b-1) Requires the municipality to notify the residents and landowners of the area described by the petition of the results of the petition. Authorizes the municipality to satisfy the requirement of this subsection, rather than this requirement, by notifying the person who filed the petition under Section 42.102.

SECTION 5. Amends Subchapter D, Chapter 42, Local Government Code, by adding Section 42.106, as follows:

Sec. 42.106. OPT OUT OF REMOVAL. Requires a landowner in an area to be released, before the area is released from a municipality's extraterritorial jurisdiction under this subchapter, to be permitted to opt their property out of the release.

SECTION 6. Effective date: September 1, 2025.