

## **BILL ANALYSIS**

Senate Research Center  
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S.B. 1639  
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### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 1639 reforms the process of municipal annexation in Texas by promoting stakeholder involvement and streamlining the process.

It has been two decades since the annexation process was last addressed. Currently, annexation can last up to four years and excludes input from people living in the areas to be annexed. This lengthy and convoluted process wastes taxpayer dollars, and leads to cities looking to annex areas to boost their tax base, while ignoring and passing over poorer areas in desperate need of city services.

S.B. 1639 eliminates the mountain of red tape surrounding annexation so that the input of residents is protected. The standard two-year annexation process is replaced by a streamlined process that makes it easier to obtain consent, reducing costly court and legislative battles. It also makes voluntary annexation in particular a much more streamlined process.

Voluntary annexation becomes a two-week process, and city-initiated annexations can be done in four months or less. Cities benefit from a shorter process that saves taxpayer money by having less impact on staff time, and the residents of the extraterritorial jurisdiction (ETJ) benefit from having a say in the process when they otherwise would not.

- S.B. 1639 allows for swift voluntary annexation. If the property owners in an area are all in agreement for annexation, and the city and owners agree on what services will be provided, annexation can be done in a matter of weeks through a public hearing process as opposed to years.
- For city-initiated annexation, if a city wishes to annex an area with less than 200 people, the city can follow a petition process. If a majority of qualified voters in the area agree with annexation, the process can be completed in as little as four months. If the area the city wants to annex has more than 200 people, the city follows an election process. Qualified voters in the area subject to annexation can then vote in a regularly scheduled election—either May or November—on whether to be annexed.
- S.B. 1639 bans limited purpose annexation, where a city will only apply its regulations and taxes on an area but not provide any services.
- This bill allows for noncontiguous annexation, so that a city can annex an area in its ETJ if that area wants to be annexed but other areas surrounding it do not.

As proposed, S.B. 1639 amends current law relating to the procedures for municipal annexations.

### **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 Subchapter A, Chapter 43, Local Government Code, by adding Section 43.003, as follows:

Sec. 43.003. LIMITED PURPOSE ANNEXATION PROHIBITED. (a) Prohibits a municipality, beginning September 1, 2015, from annexing an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area.

(b) Provides that this section supersedes any municipal charter provision that conflicts with this section.

SECTION 2. Amends Section 43.029, Local Government Code, by amending Subsection (c) and adding Subsections (d), (e), (f), and (g), as follows:

(c) Authorizes the board of trustees of a public school occupying the area to petition the governing body of the municipality in writing to annex the area. Deletes existing text providing that Sections 43.028(c)-(f) apply to the petition and annexation under this section in the same manner in which they apply to the petition and annexation under that section. Makes no further change to this subsection.

(d) Requires that the petition describe the area by metes and bounds and be acknowledged in the manner required for deeds by each person having an interest in the area.

(e) Requires the governing body, after the 5th day but on or before the 30th day after the date the petition is filed, to hear the petition and the arguments for and against the annexation and to grant or refuse the petition as the governing body considers appropriate.

(f) Authorizes the governing body by ordinance to annex the area if the governing body grants the petition. Provides that on the effective date of the ordinance, the area becomes a part of the municipality and entitles the inhabitants of the area to the rights and privileges of other citizens of the municipality and are bound by the acts and ordinances adopted by the municipality.

(g) Requires that a certified copy of the ordinance together with a copy or duplicate of the petition be filed in the office of the county clerk of the county in which the municipality is located if the petition is granted and the ordinance is adopted.

SECTION 3. Transfers Section 43.051, Local Government Code, to Subchapter B, Chapter 43, Local Government Code, redesignates it as Section 43.0211, Local Government Code, and amends it, as follows:

Sec. 43.0211. AUTHORITY TO ANNEX LIMITED TO EXTRATERRITORIAL JURISDICTION. Redesignates existing Section 43.051 as Section 43.0211. Authorizes a municipality to annex area only in the municipality's extraterritorial jurisdiction unless the municipality owns the area. Makes a nonsubstantive change.

SECTION 4. Amends Subchapter B, Chapter 43, Local Government Code, by adding Sections 43.0212 and 43.0213, as follows:

Sec. 43.0212. AUTHORITY TO ANNEX NONCONTIGUOUS AREAS. Authorizes a municipality to annex an area that is noncontiguous to the boundaries of the municipality if the area is in the municipality's extraterritorial jurisdiction.

Sec. 43.0213. AUTHORITY OF MUNICIPALITY TO ANNEX AREA ON REQUEST OF OWNERS. (a) Authorizes a municipality to annex an area if each owner of land in the area requests the annexation.

(b) Requires the governing body of the municipality, if a municipality elects to annex an area under this section, to first negotiate and enter into a written agreement for the provision of services in the area with the owners of land in the area. Provides that the municipality is not required to provide a service that is not included in the agreement.

(c) Requires the governing body of the municipality, before a municipality may annex an area under this section, to conduct at least two public hearings. Requires that the hearings be conducted not less than 10 business days apart. Requires the governing body, during the first public hearing, to provide persons interested in the annexation the opportunity to be heard. Requires the governing body, during the final public hearing, to adopt an ordinance annexing the area.

SECTION 5. Amends the heading to Subchapter C, Chapter 43, Local Government Code, to read as follows:

SUBCHAPTER C. ANNEXATION OF AREAS WITH A POPULATION OF LESS THAN 200

SECTION 6. Amends Subchapter C, Chapter 43, Local Government Code, by adding Sections 43.0511 through 43.0517, as follows:

Sec. 43.0511. **AUTHORITY TO ANNEX.** Authorizes a municipality to annex an area with a population of less than 200 only if the municipality obtains consent to annex the area through a petition signed by:

- (1) more than 50 percent of the registered voters of the area; and
- (2) if the registered voters of the area do not own more than 50 percent of the land in the area, more than 50 percent of the owners of land in the area.

Sec. 43.0512. **RESOLUTION.** Requires the governing body of the municipality that proposes to annex an area under this subchapter to adopt a resolution that includes:

- (1) a statement of the municipality's intent to annex the area;
- (2) a detailed description and map of the area to be annexed; and
- (3) a description of the services to be provided by the municipality in the area after the annexation, including, as applicable:
  - (A) police protection;
  - (B) fire protection;
  - (C) emergency medical services;
  - (D) solid waste collection;
  - (E) operation and maintenance of water and wastewater facilities in the annexed area;
  - (F) operation and maintenance of roads and streets, including road and street lighting;
  - (G) operation and maintenance of parks, playgrounds, and swimming pools; and
  - (H) operation and maintenance of any other publicly owned facility, building, or service.

Sec. 43.0513. NOTICE OF PROPOSED ANNEXATION. Requires the municipality, not later than the seventh day after the date the governing body of the municipality adopts the resolution under Section 43.0512, to mail to each resident in the area notification of the proposed annexation that includes:

- (1) notice of the public hearing required by Section 43.0514;
- (2) an explanation of the 60-day petition period described by Section 43.0515; and
- (3) a description of services to be provided by the municipality in the area after the annexation.

Sec. 43.0514. INITIAL PUBLIC HEARING. Requires the governing body of a municipality to conduct at least one public hearing not earlier than the 21st day and not later than the 30th day after the date the governing body adopts the resolution under Section 43.0512.

Sec. 43.0515. PETITION. (a) Provides that the petition required by Section 43.0511 is authorized to be signed only by a registered voter of the area or an owner of land in the area. Requires that the petition provide for the person signing to state whether the person is signing as a registered voter of the area, as an owner of land in the area, or as both.

(b) Authorizes the municipality to collect signatures on the petition only during the period beginning on the 31st day after the date the governing body of the municipality adopts the resolution under Section 43.0512 and ending on the 90th day after the date the resolution is adopted.

(c) Requires that the petition clearly state that a person signing the petition is consenting to the proposed annexation.

(d) Requires that the petition include a map of and describe the area proposed to be annexed.

(e) Requires the municipality to collect petition signatures in person, except that the municipality may provide for an owner of land in the area that is not a resident of the area to sign the petition electronically.

(f) Provides that Chapter 277 (Petition Prescribed by Law Outside Code), Election Code, applies to a petition under this section.

Sec. 43.0516. RESULTS OF PETITION. (a) Requires that the petition, when the petition period prescribed by Section 43.0515 ends, be verified by the municipal secretary or other person responsible for verifying signatures. Requires the municipality to notify the residents of the area proposed to be annexed of the results of the petition.

(b) Prohibits the municipality, if the municipality does not obtain the number of signatures on the petition required to annex the area, from annexing the area and from adopting another resolution under Section 43.0512 to annex the same area until the first anniversary of the date the petition period ended.

(c) Authorizes the municipality, if the municipality obtains the number of signatures on the petition required to annex the area, to annex the area after:

- (1) providing notice under Subsection (a);
- (2) holding a public hearing at which members of the public are given an opportunity to be heard; and

(3) holding a final hearing not earlier than the 10th day after the date of the public hearing under Subdivision (2) at which the ordinance annexing the area may be adopted.

Sec. 43.0517. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON PETITION. Prohibits a municipality, notwithstanding Section 43.0516, from annexing an area under this subchapter without approval of a majority of the voters voting at an election called and held for that purpose if a petition protesting the annexation is signed by a number of registered voters of the municipality equal to at least 50 percent of the number of voters who voted in the most recent municipal election and is received by the secretary of the municipality before the date the petition period prescribed by Section 43.0515 ends.

SECTION 7. Amends the heading to Subchapter C-1, Chapter 43, Local Government Code, as follows:

SUBCHAPTER C-1. ANNEXATION OF AREAS WITH A POPULATION OF AT LEAST 200

SECTION 8. Amends Subchapter C-1, Chapter 43, Local Government Code, by adding Sections 43.0611 through 43.0618, as follows:

Sec. 43.0611. AUTHORITY TO ANNEX. Authorizes a municipality to annex an area with a population of 200 or more only if the following conditions are met, as applicable:

- (1) the municipality holds an election in the area proposed to be annexed at which the qualified voters of the area may vote on the question of the annexation, and a majority of the votes received at the election approve the annexation; and
- (2) if the registered voters of the area do not own more than 50 percent of the land in the area, the municipality obtains consent to annex the area through a petition signed by more than 50 percent of the owners of land in the area.

Sec. 43.0612. RESOLUTION. Requires the governing body of the municipality that proposes to annex an area under this subchapter to adopt a resolution that includes:

- (1) a statement of the municipality's intent to annex the area;
- (2) a detailed description and map of the area to be annexed; and
- (3) a description of the services to be provided by the municipality in the area after the annexation, including, as applicable:
  - (A) police protection;
  - (B) fire protection;
  - (C) emergency medical services;
  - (D) solid waste collection;
  - (E) operation and maintenance of water and wastewater facilities in the annexed area;
  - (F) operation and maintenance of roads and streets, including road and street lighting;
  - (G) operation and maintenance of parks, playgrounds, and swimming pools; and
  - (H) operation and maintenance of any other publicly owned facility, building, or service.

Sec. 43.0613. NOTICE OF PROPOSED ANNEXATION. Requires the municipality, not later than the seventh day after the date the governing body of the municipality adopts the resolution under Section 43.0612, to mail to each property owner in the area notification of the proposed annexation that includes:

- (1) notice of the public hearing required by Section 43.0614;
- (2) notice that an election on the question of annexing the area will be held; and
- (3) a description of services to be provided by the municipality in the area after the annexation.

Sec. 43.0614. PUBLIC HEARINGS. (a) Requires the governing body of a municipality to conduct at least one public hearing not earlier than the 21st day and not later than the 30th day after the date the governing body adopts the resolution under Section 43.0612.

- (b) Requires the governing body to conduct an additional public hearing not earlier than the 31st day and not later than the 90th day after the date the governing body adopts a resolution under Section 43.0612.

Sec. 43.0615. PROPERTY OWNER CONSENT REQUIRED FOR CERTAIN AREAS.

(a) Requires the municipality, if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, to obtain consent to the annexation through a petition signed by more than 50 percent of the owners of land in the area in addition to the election required by this subchapter.

- (b) Requires the municipality to obtain the consent required by this section through the petition process prescribed by Section 43.0515, and requires that the petition be verified in the manner provided by Section 43.0516(a).

Sec. 43.0616. ELECTION. (a) Requires a municipality to order an election on the question of annexing an area to be held on the first uniform election date that falls on or after:

- (1) the 90th day after the date the governing body of the municipality adopts the resolution under Section 43.0612; or
- (2) if the consent of the owners of land in the area is required under Section 43.0615, the 78th day after the date the petition period to obtain that consent ends.

(b) Requires that an election under this section be held in the same manner as general elections of the municipality. Requires the municipality to pay for the costs of holding the election.

(c) Prohibits a municipality that holds an election under this section from holding another election on the question of annexation before the corresponding uniform election date of the following year.

Sec. 43.0617. RESULTS OF ELECTION AND PETITION. (a) Requires the municipality, following an election held under this subchapter, to notify the residents of the area proposed to be annexed of the results of the election and, if applicable, of the petition required by Section 43.0615.

- (b) Prohibits the municipality, if at the election held under this subchapter a majority of qualified voters do not approve the proposed annexation, or if the municipality is required to petition owners of land in the area under Section 43.0615 and does not obtain the required number of signatures, from annexing the

area and from adopting another resolution under Section 43.0612 to annex the same area until the first anniversary of the date of the adoption of the resolution.

(c) Authorizes the municipality, if at the election held under this subchapter a majority of qualified voters approve the proposed annexation, and if the municipality, as applicable, obtains the required number of petition signatures under Section 43.0615, to annex the area after:

(1) providing notice under Subsection (a);

(2) holding a public hearing at which members of the public are given an opportunity to be heard; and

(3) holding a final hearing not earlier than the 10th day after the date of the public hearing under Subdivision (2) at which the ordinance annexing the area may be adopted.

Sec. 43.0618. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON PETITION. Prohibits a municipality, notwithstanding Section 43.0617, from annexing an area under this subchapter without approval of a majority of the voters voting at an election called and held for that purpose if a petition protesting the annexation is signed by a number of registered voters of the municipality equal to at least 50 percent of the number of voters who voted in the most recent municipal election and is received by the secretary of the municipality before the date the election required by this subchapter is held.

SECTION 9. Amends Section 43.071(e), Local Government Code, to provide that Subsections (b) and (c), rather than Subsections (b)-(d), do not apply to the annexation of certain districts as set forth.

SECTION 10. Amends Section 43.0715(c), Local Government Code, to require the municipality, at the time notice of the municipality's intent to annex the land within the district is first published, rather than at the time notice of the municipality's intent to annex the land within the district is first published in accordance with Section 43.052, to proceed to initiate and complete a report for each developer conducted in accordance with the format approved by the Texas Commission on Environmental Quality, rather than the Texas Natural Resource Conservation Commission, for audits. Makes no further change to this subsection.

SECTION 11. Amends Section 43.072(d), Local Government Code, as follows:

(d) Deletes existing text providing that annexation of area under this section is exempt from the provisions of this chapter that prohibit annexation of area narrower than the minimum width prescribed by Section 43.054. Makes a nonsubstantive change.

SECTION 12. Amends Section 43.0751, Local Government Code, by amending Subsections (b), (d), (e), (f), (g), (h), (j), (k), (m), and (n) and adding Subsection (e-1), as follows:

(b) Authorizes the governing bodies of a municipality and a district to negotiate and enter into a written strategic partnership agreement for the district by mutual consent. Requires the governing body of a municipality, on written request from a district located in the municipality's extraterritorial jurisdiction, rather than requires the governing body of a municipality, on written request from a district included in the municipality's annexation plan under Section 43.052, to negotiate and enter into a written strategic partnership agreement with the district. Deletes existing text providing that a district included in a municipality's annexation plan under Section 43.052 may not submit its written request before the date of the second hearing required under Section 43.0561, and must submit its written request before the 61st day after the date of the second hearing required under Section 43.0561.

(d) Requires the governing body of a municipality or a district, before it adopts a strategic partnership agreement, to conduct two public hearings at which members of the public

who wish to present testimony or evidence regarding the proposed agreement shall be given the opportunity to do so. Requires that notice of public hearings conducted by the governing body of a municipality under this subsection be published in a newspaper of general circulation in the municipality and in the district and be published at least once on or after the 20th day before the date of each hearing. Prohibits the notice from being smaller than one-quarter page of a standard-size or tabloid-size newspaper, and the headline on the notice must be in 18-point or larger type. Deletes existing text requiring that the notice must be in the format prescribed by Section 43.123(b) and be published at least once on or after the 20th day before each date. Makes no further change to this subsection.

(e) Deletes existing text prohibiting the governing body of a municipality from annexing a district for limited purposes under this section or under the provisions of Subchapter F until it has adopted a strategic partnership agreement with the district. Makes no further change to this subsection.

(e-1) Provides that, beginning September 1, 2015, a strategic partnership agreement is prohibited from providing for limited purpose annexation.

(f) Authorizes a strategic partnership agreement to provide for the following:

(1) payments by the municipality to the district for services provided by the district;

(2) annexation of any commercial property in a district by the municipality, rather than in a district for full purposes by the municipality, notwithstanding any other provision of this code or the Water Code, except for the obligation of the municipality to provide, directly or through agreement with other units of government, full provision of municipal services to annexed territory, in lieu of any annexation of residential property or payment of any fee on residential property in lieu of annexation of residential property in the district authorized by this subsection;

(3) an annexation provision, rather than a full-purpose annexation provision, on terms acceptable to the municipality and the district;

(4) conversion of the district to a limited district including some or all of the land included within the boundaries of the district, which conversion shall be effective on the annexation, rather than full-purpose annexation, conversion date established under Subdivision (3);

(5) agreements existing between districts and governmental bodies and private providers of municipal services in existence on the date a municipality evidences its intention by adopting a resolution to negotiate for a strategic partnership agreement with the district shall be continued and provision made for modifications to such existing agreements; and

(6) such other lawful terms that the parties consider appropriate.

Redesignates existing Subdivisions (3)-(8) as Subdivisions (1)-(6). Deletes existing text authorizing a strategic partnership agreement to provide for the following: limited-purpose annexation of the district on terms acceptable to the municipality and the district provided that the district shall continue in existence during the period of limited-purpose annexation; limited-purpose annexation of a district located in a county with a population of more than 3.3 million: only if the municipality does not require services, permits, or inspections or impose fees for services, permits, or inspections within the district; and provided that this subsection does not prevent the municipality from providing services within the district if: the provision of services is specified and agreed to in the agreement; the provision of services is not solely the result of a regulatory plan adopted by



the municipality in connection with the limited-purpose annexation of the district; and the district has obtained the authorization of the governmental entity currently providing the service.

(g) Changes a reference to Subsection (f)(6) to Subsection (f)(4) and deletes a reference to full-purpose annexation.

(h) Changes a reference to Subsection (f)(5)(A) to Subsection (f)(3). Deletes references to full-purpose annexation. Deletes existing text prohibiting land annexed for limited or full purposes under this section from being included in calculations prescribed by Section 43.055(a).

(j) Requires a district that has been annexed for limited purposes by a municipality before September 1, 2015, and a limited district, except as limited by this section or the terms of a strategic partnership agreement, to have and may exercise all functions, powers, and authority otherwise vested in a district.

(k) Authorizes a municipality that has annexed all or part of a district for limited purposes under this section before September 1, 2015, to impose a sales and use tax within the boundaries of the part of the district that is annexed for limited purposes. Makes no further change to this subsection.

(m) Prohibits a municipality that has annexed, rather than that may annex, a district for limited purposes to implement a strategic partnership agreement under this section before September 1, 2015, from annexing for full purposes any territory within a district created pursuant to a consent agreement with that municipality executed before August 27, 1979. Makes no further change to this subsection.

(n) Provides that this subsection applies only to a municipality any portion of which is located in a county that has a population of not less than 285,000 and not more than 300,000 and that borders the Gulf of Mexico and is adjacent to a county with a population of more than 3.3 million. Authorizes a municipality to impose within the boundaries of a district a municipal sales and use tax authorized by Chapter 321 (Municipal Sales and Use Tax Act), Tax Code, or a municipal hotel occupancy tax authorized by Chapter 351 (Municipal Hotel Occupancy Taxes), Tax Code, that is imposed in the municipality if the municipality has annexed the district for limited purposes under this section before September 1, 2015.

SECTION 13. Amends Subchapter D, Chapter 43, Local Government Code, by adding Section 43.07512, as follows:

Sec. 43.07512. LIMITED PURPOSE ANNEXATION OF ANY SPECIAL DISTRICT PROHIBITED UNDER STRATEGIC PARTNERSHIP AGREEMENT. (a) Defines "special district" in this section.

(b) Prohibits a strategic partnership agreement entered into on or after September 1, 2015, notwithstanding any other general or local law, from providing for the limited purpose annexation of all or part of a special district.

SECTION 14. Amends Section 43.07515(a), Local Government Code, to prohibit a municipality from regulating under Section 43.0751, rather than under Section 43.0751 or 43.0752, the sale, use, storage, or transportation of fireworks outside of the municipality's boundaries.

SECTION 15. Amends Section 43.102(d), Local Government Code, as follows:

(d) Authorizes the municipality to annex the area even if the area is outside the municipality's extraterritorial jurisdiction or is in another municipality's extraterritorial jurisdiction. Deletes existing text authorizing the municipality to annex the area even if the area is outside the municipality's extraterritorial jurisdiction, is in another municipality's extraterritorial jurisdiction, or is narrower than the minimum width

prescribed by Section 43.054. Deletes existing text providing that Section 43.055, which relates to the amount of area a municipality may annex in a calendar year, does not apply to the annexation.

SECTION 16. Amends Section 43.1025(c), Local Government Code, as follows:

(c) Prohibits annexation of the area described by Subsection (b) (authorizing the municipality to annex the unincorporated area of an airport owned by the municipality that is noncontiguous to the boundaries of the municipality regardless of whether the airport is located in the municipality's extraterritorial jurisdiction) from occurring unless each municipality in whose extraterritorial jurisdiction the area may be located consents to the annexation, and reduces its extraterritorial jurisdiction over the area as provided by Section 42.023. Deletes existing text authorizing the area described by Subsection (b) to be annexed without the consent of the owners or residents of the area, but the annexation may not occur unless each municipality in whose extraterritorial jurisdiction the area may be located consents to the annexation, and reduces its extraterritorial jurisdiction over the area as provided by Section 42.023.

SECTION 17. Amends Subchapter F, Chapter 43, Local Government Code, by adding Section 43.1211, as follows:

Sec. 43.1211. **APPLICABILITY.** Provides that this subchapter applies to an area that was annexed for a limited purpose as authorized before September 1, 2015.

SECTION 18. Amends Section 43.127(a), Local Government Code, as follows:

(a) Requires the municipality, on or before the date prescribed by the regulatory plan prepared for the limited purpose area, to annex the area for full purposes. Deletes existing text requiring the municipality, except as provided by Section 43.123(e), on or before the date prescribed by the regulatory plan under Section 43.123(d)(2), to annex the area for full purposes. Deletes existing text authorizing this requirement to be waived and the date for full-purpose annexation postponed by written agreement between the municipality and a majority of the affected landowners. Deletes existing text providing that a written agreement to waive the municipality's obligation to annex the area for full purposes binds all future owners of land annexed for limited purposes pursuant to that waiver.

SECTION 19. Amends Section 43.141(a) and (b), Local Government Code, as follows:

(a) Authorizes a majority of the qualified voters of an annexed area to petition the governing body of the municipality to disannex the area if the municipality fails or refuses to provide services or to cause services to be provided to the area. Deletes existing text authorizing a majority of the qualified voters of an annexed area to petition the governing body of the municipality to disannex the area if the municipality fails or refuses to provide services or to cause services to be provided to the area within the period specified by Section 43.056 or by the service plan prepared for the area under that section.

(b) Authorizes any one or more of the signers of the petition, if the governing body fails or refuses to disannex the area within 60 days after the date of the receipt of the petition, to bring a cause of action in a district court of the county in which the area is principally located to request that the area be disannexed. Requires that the case, on the filing of an answer by the governing body, and on application of either party, be advanced and heard without further delay in accordance with the Texas Rules of Civil Procedure. Requires the district court to enter an order disannexing the area if the court finds that a valid petition was filed with the municipality and that the municipality failed to perform in good faith. Deletes existing text requiring the district court to enter an order disannexing the area if the court finds that a valid petition was filed with the municipality and that the municipality failed to perform its obligations in accordance with the service plan or failed to perform in good faith.

SECTION 20. Amends Section 43.201(2), Local Government Code, to redefine "limited-purpose annexation."

SECTION 21. Amends Section 43.203(a), Local Government Code, as follows:

(a) Provides that this section applies only to the governing body of a district that by resolution petitioned a municipality, rather than authorizes the governing body of a district by resolution to petition a municipality, to alter the annexation status of land in the district from full-purpose annexation to limited-purpose annexation and before September 1, 2015:

(1) entered into an agreement to alter the status of annexation as provided by this section; or

(2) had its status automatically altered by operation of Subsection (c).

SECTION 22. Amends Section 43.905(a), Local Government Code, to delete Sections 43.0561 and 43.063 from the provision in this subsection requiring municipalities to publish a certain notice.

SECTION 23. Amends Section 775.0754(d), Health and Safety Code, to delete a reference to Section 43.056, Local Government Code.

SECTION 24. Repealer: Section 42.0411 (Municipal Incorporation in Extraterritorial Jurisdiction of Certain Municipalities), Local Government Code.

Repealer: Section 43.021 (Authority of Home-Rule Municipality to Annex Area and Take Other Actions Regarding Boundaries), Local Government Code.

Repealer: Section 43.022 (Voter Approval of Annexation by Home-Rule Municipality Required Under Certain Circumstances), Local Government Code.

Repealer: Section 43.023 (Authority of General-Law Municipality with Population of More than 5,000 to Annex Area on Petition and Election of Area Voters), Local Government Code.

Repealer: Section 43.024 (Authority of Type A General-Law Municipality to Annex Area on Request of Area Voters), Local Government Code.

Repealer: Section 43.025 (Authority of Type B General-Law Municipality to Annex Area on Request of Area Voters), Local Government Code.

Repealer: Section 43.028 (Authority of Municipalities to Annex Sparsely Occupied Area on Petition of Area Landowners), Local Government Code.

Repealer: Section 43.030 (Authority of Municipality with Population of 74,000 to 99,700 in Urban County to Annex, Small, Surrounded General-Law Municipality), Local Government Code.

Repealer: Section 43.032 (Authority of Certain Type A General-Law Municipalities to Annex an Area Upon Petition by Owners), Local Government Code.

Repealer: Section 43.033 (Authority of General-Law Municipality to Annex Area), Local Government Code.

Repealer: Section 43.034 (Authority of General-Law Municipality to Annex Area; Certain Municipalities), Local Government Code.

Repealer: Section 43.035(c) (providing that for purposes of Section 43.021(2) or another law, including a municipal charter or ordinance, relating to municipal authority to annex

an area adjacent to the municipality, an area adjacent or contiguous to an area that is the subject of a development agreement described by Subsection (b)(1) is considered adjacent or contiguous to the municipality), Local Government Code.

Repealer: Section 43.036 (Transfer of Area and Change in Boundaries Between Certain Municipalities), Local Government Code.

Repealer: Section 43.052 (Municipal Annexation Plan Required), Local Government Code.

Repealer: Section 43.053 (Inventory of Services and Facilities Required), Local Government Code.

Repealer: Section 43.054 (Width Requirements), Local Government Code.

Repealer: Section 43.0545 (Annexation of Certain Adjacent Areas), Local Government Code.

Repealer: Section 43.0546 (Annexation of Certain Adjacent Areas by Populous Municipalities), Local Government Code.

Repealer: Section 43.055 (Maximum Amount of Annexation Each Year), Local Government Code.

Repealer: Section 43.056 (Provision of Services to Annexed Area), Local Government Code.

Repealer: Section 43.0561 (Annexation Hearing Requirements), Local Government Code.

Repealer: Section 43.0562 (Negotiations Required), Local Government Code.

Repealer: Section 43.0563 (Contracts for Provision of Services in Lieu of Annexation), Local Government Code.

Repealer: Section 43.0564 (Arbitration Regarding Negotiations for Services), Local Government Code.

Repealer: Section 43.0565 (Arbitration Regarding Enforcement of Service Plan), Local Government Code.

Repealer: Section 43.0567 (Provision of Water or Sewer Service in Populous Municipality), Local Government Code.

Repealer: Section 43.057 (Annexation that Surrounds Area: Findings Required), Local Government Code.

Repealer: Section 43.061 (Applicability), Local Government Code.

Repealer: Section 43.062 (Procedures Applicable), Local Government Code.

Repealer: Section 43.063 (Annexation Hearing Requirements), Local Government Code.

Repealer: Section 43.064 (Period for Completion of Annexation; Effective Date), Local Government Code.

Repealer: Section 43.065 (Provision of Services to Annexed Area), Local Government Code.

Repealer: Section 43.071(d) (providing that area annexed under Subsection (b) is included in computing the amount of area that a municipality may annex under Section 43.055 in a calendar year), Local Government Code.

Repealer: Section 43.071 (f) (providing that to annex the entire part of a water or sewer district that is outside the municipality's boundaries, a general-law municipality incorporated after 1983 that is, after incorporation of the district, incorporated over all or any part of the district may annex territory by ordinance without the consent of the inhabitants or property owners of the territory), Local Government Code.

Repealer: Section 43.071(g) (providing that for an annexation of an area in a water or sewer district that is wholly or partly in the overlapping extraterritorial jurisdiction of two or more municipalities, any one of those municipalities is not required to obtain under Section 42.023 the written consent of any of the other municipalities in order to annex the area if certain requirements are met), Local Government Code.

Repealer: Section 43.072(c) (providing that area annexed under Subsection (b) is included in computing the amount of area that a municipality may annex under Section 43.055 in a calendar year), Local Government Code.

Repealer: Section 43.072(e) (providing that if the district is composed of two or more tracts, at least one of which is not contiguous to the home-rule municipality, the fact that the annexation will result in one or more parts of the home-rule municipality being not contiguous to the rest of the municipality does not affect the municipality's authority to annex the district), Local Government Code.

Repealer: Section 43.072(g) (authorizing the board of directors of the district to order an election under this section), Local Government Code.

Repealer: Section 43.072(h) (requiring the board of directors to set the date of the election for the first uniform election date that falls on or after the 30th day after the date of the order), Local Government Code.

Repealer: Section 43.072(i) (requiring the board of directors to give notice of the election in the manner provided for an election of the members of the board), Local Government Code.

Repealer: Section 43.072(j) (requiring the board, promptly after the board of directors declares the result of the election, to mail or deliver a certified copy of the resolution declaring the result of the election to the mayor and the secretary of each of the two affected municipalities; and requires the board, if the election authorizes annexation of the district by the home-rule municipality, to file a certified copy of the resolution in the deed records of each county in which the district is located), Local Government Code.

Repealer: Section 43.072(k) (prohibiting the general-law municipality from annexing area in the district during the time that an election under this section is pending), Local Government Code.

Repealer: Section 43.072(l) (providing that, if the question is approved, the period during which the general-law municipality is prohibited from annexing area in the district is extended to the date that is one year after the date of the election), Local Government Code.

Repealer: Section 43.072(m) (prohibiting the district, if a district holds an election under this section, from holding another election under this section before the date that is one year after the date of the earlier election, except that if an election is held on a uniform election date prescribed by law, the subsequent election may be held on the corresponding uniform election date of the following year), Local Government Code.

Repealer: Section 43.0751(o) (providing that, if a municipality required to negotiate with a district under this section and the requesting district fail to agree on the terms of a strategic partnership agreement, either party may seek binding arbitration of the issues relating to the agreement in dispute under Section 43.0752), Local Government Code.

Repealer: Section 43.0751(r) (requiring a district or the area of a district annexed for limited purposes under this section to be in the municipality's extraterritorial jurisdiction, and contiguous to the corporate boundaries of the municipality or an area annexed by the municipality for limited purposes, unless the district consents to noncontiguous annexation under a strategic partnership agreement with the municipality), Local Government Code.

Repealer: Section 43.0752 (Arbitration of Strategic Partnership Agreement), Local Government Code.

Repealer: Section 43.101(c) (prohibiting the area from being annexed without the consent of the owners or residents of the area), Local Government Code.

Repealer: Section 43.101 (d) (authorizing the municipality to annex the area even if part of the area is outside the municipality's extraterritorial jurisdiction or is narrower than the minimum width prescribed by Section 43.054), Local Government Code.

Repealer: Section 43.102(c) (prohibiting the area from being annexed without the consent of the owners or residents of the area), Local Government Code.

Repealer: Section 43.1025(e) (providing that, following annexation, territory annexed under this section is not required to be contiguous to the boundaries of the annexing municipality), Local Government Code.

Repealer: Section 43.1025 (g) (authorizing the municipality to annex the area even if part of the area is outside the municipality's extraterritorial jurisdiction or is narrower than the minimum width prescribed by Section 43.054), Local Government Code.

Repealer: Section 43.103 (Annexation of Streets, Highways, and Other Ways by General-Law Municipality), Local Government Code.

Repealer: Section 43.105 (Annexation of Streets by Certain Small General-Law Municipalities), Local Government Code.

Repealer: Section 43.121 (Authority of Populous Home-Rule Municipalities to Annex for Limited Purposes; Other Authority Not Affected), Local Government Code.

Repealer: Section 43.122 (Certain Strip Annexations Prohibited), Local Government Code.

Repealer: Section 43.123 (Report Regarding Planning Study and Regulatory Plan), Local Government Code.

Repealer: Section 43.124 (Public Hearings), Local Government Code.

Repealer: Section 43.125 (Adoption of Regulatory Plan), Local Government Code.

Repealer: Section 43.126 (Period for Completion of Annexation), Local Government Code.

Repealer: Section 43.129 (Consensual Annexation), Local Government Code.

Repealer: Section 43.131 (Effect of Annexation on Extraterritorial Jurisdiction), Local Government Code.

Repealer: Section 43.132 (Municipal Incorporation in Annexed Area), Local Government Code.

Repealer: Section 43.147 (Width Requirement for Disannexation), Local Government Code.

Repealer: Subchapter Y (Annexation and Incorporation Procedures for Certain Unincorporated Communities in Certain Counties), Chapter 43 (Municipal Annexation), Local Government Code.

Repealer: Section 8374.252(a) (providing that Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8374.004), Special District Local Laws Code.

Repealer: Section 8375.252(a) (providing that Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8374.004), Special District Local Laws Code.

Repealer: Section 8376.252(a) (providing that Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8374.004), Special District Local Laws Code.

Repealer: Section 8377.252(a) (providing that Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8374.004), Special District Local Laws Code.

Repealer: Section 8378.252(a) (providing that Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8374.004), Special District Local Laws Code.

Repealer: Section 8382.252(a) (providing that Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8374.004), Special District Local Laws Code.

Repealer: Section 8383.252(a) (providing that Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8374.004), Special District Local Laws Code.

Repealer: Section 8384.252(a) (providing that Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8374.004), Special District Local Laws Code.

Repealer: Section 8385.252(a) (providing that Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8374.004), Special District Local Laws Code.

Repealer: Section 8477.302(a) (providing that Sections 43.0561 and 43.0562, Local Government Code, do not apply to the annexation of the district by a municipality that consents to the creation of the district under Section 8374.004), Special District Local Laws Code.

SECTION 25. Provides that the changes in law made by this Act do not apply to an annexation for which the first hearing notice required by former Section 43.0561 or 43.063, Local Government Code, as applicable, was published before the effective date of this Act. Makes application of this Act prospective.

SECTION 26. Effective date: September 1, 2015.