

BILL ANALYSIS

C.S.S.B. 6
By: Campbell
Land & Resource Management
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note the need for greater transparency and property owner participation in the municipal annexation process. C.S.S.B. 6 seeks to address these issues by amending the law regarding municipal annexation.

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.S.B. 6 amends the Local Government Code to revise provisions relating to municipal annexation. The bill defines "tier 1 county" as a county with a population of less than 500,000, "tier 2 county" as a county that is not a tier 1 county, "tier 1 municipality" as a municipality wholly located in one or more tier 1 counties that proposes to annex an area wholly located in one or more tier 1 counties, and "tier 2 municipality" as a municipality wholly or partly located in a tier 2 county or wholly located in one or more tier 1 counties that proposes to annex an area wholly or partly located in a tier 2 county. The bill prohibits a municipality, until the 20th anniversary of the date of the annexation of an area that includes a permanent retail structure, from prohibiting a person from continuing to use the structure for the indoor seasonal sale of retail goods if the structure is more than 5,000 square feet and was authorized under state law to be used for the indoor seasonal sale of retail goods on the effective date of the annexation.

General Authority to Annex Provisions; Tier 1 or Tier 2 Municipalities

C.S.S.B. 6 makes certain existing general annexation authority provisions applicable to tier 1 and tier 2 municipalities and other such provisions applicable only to a tier 1 municipality.

C.S.S.B. 6 provides for the authority of certain municipalities to annex enclaves. The bill authorizes a municipality to annex all or part of the area located in a designated industrial district under the requirements applicable to a tier 1 municipality but authorizes a municipality that proposes to annex an area located in an industrial district subject to a certain type of contract to initiate the annexation only on or after the date the contract expires or as provided by the contract. The bill authorizes a municipality to annex for full or limited purposes any part of the area located within five miles of the boundaries of a military base in which an active training program is conducted only if the municipality adopts a resolution that establishes provisions to maintain the compatibility of the municipality's regulation of land in the area with the military base operations following the annexation.

C.S.S.B. 6 removes from the provision authorizing the annexation of any navigable stream adjacent to the municipality and within the municipality's extraterritorial jurisdiction the restriction that the annexing municipality is a general-law municipality. The bill specifies that such an annexation or an annexation of area by a Type A general-law municipality that owns the area occurs under procedures prescribed for areas exempted from a municipal annexation plan for a tier 1 municipality. The bill changes the applicability of a provision authorizing a municipality to annex area only in its extraterritorial jurisdiction unless the municipality owns the area from being applicable to annexations taking place under provisions relating to a municipal annexation plan to being applicable to annexations taking place under general annexation authority provisions that apply to tier 1 and tier 2 municipalities. The bill provides for a waiver of the prohibition against certain municipalities annexing an area that would cause another municipality to be completely surrounded by the corporate limits or extraterritorial jurisdiction of the annexing municipality.

Provisions Relating to a Municipal Annexation Plan; Tier 1 Municipalities

C.S.S.B. 6 makes statutory provisions relating to the annexation procedure for an area annexed under a municipal annexation plan applicable only to a tier 1 municipality and expressly makes such provisions inapplicable, unless otherwise specifically provided by municipal annexation provisions, to a tier 2 municipality. The bill repeals provisions that generally prohibit a municipality with a population of 1.6 million or more from annexing an area that is less than 1,500 feet wide at any point and require at least 1,500 feet of the perimeter of the area annexed by such a municipality to be coterminous with the boundary of the municipal area of the municipality. The bill removes the authorization for a person residing or owning land in an annexed area in a municipality with a population of 1.6 million or more to enforce a service plan by petitioning the municipality for a change in policy or procedures and replaces a prohibition against a municipality imposing a fee for solid waste management services on a person who continues to use the services of a privately owned solid waste management service provider before the second anniversary of the date the area is included within the corporate boundaries of the municipality by annexation with a prohibition against a municipality offering solid waste management services in the area before that time unless a privately owned solid waste management service provider is unavailable. The bill repeals certain provisions that relate to the provision of services to an annexed area by a municipality with a population of 1.5 million or more, that prohibit a municipality with a population of 1.6 million or more from imposing certain fees in an annexed area to maintain the level of services that existed in the area before annexation, and that relate to service plans completed by certain municipalities that have adopted firefighters' and police officers' civil service law and directly employ firefighters. The bill also repeals provisions that relate to the duties of a municipality with a population of more than 1.6 million that includes within its boundaries annexed areas without water service, sewer service, or both.

Provisions Relating to an Area Exempted from a Municipal Annexation Plan; Tier 1 Municipalities

C.S.S.B. 6 makes statutory provisions relating to the annexation procedure for an area exempted from a municipal annexation plan applicable only to an area that is proposed for annexation by a tier 1 municipality. The bill expressly makes such provisions inapplicable, unless otherwise specifically provided by municipal annexation provisions, to an area that is proposed for annexation by a tier 2 municipality. The bill removes an authorization for the governing body of a municipality with a population of 1.6 million or more to provide that an annexation take effect on any date within 90 days after the date of the adoption of the ordinance providing for the annexation.

Annexation Provisions; Tier 2 Municipalities

C.S.S.B. 6 sets out annexation provisions applicable only to a tier 2 municipality. The bill sets out provisions relating to the provision of certain services to an annexed area that are applicable only to a tier 2 municipality that includes solid waste collection services in the list of services

that will be provided in the area proposed for annexation on or before the second anniversary of the effective date of the annexation of the area under an applicable written agreement or resolution.

C.S.S.B. 6 authorizes a tier 2 municipality to annex an area if each owner of land in the area requests the annexation and provides for a written agreement regarding services and for public hearings with respect to such an annexation.

C.S.S.B. 6 authorizes a tier 2 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 more than 50 percent of the registered voters of the area and, if the registered voters of the area do not own more than 50 percent of the land in the area, the petition is signed by more than 50 percent of the owners of land in the area. The bill establishes procedures for such an annexation and provides for the adoption of a resolution by the municipality's governing body, notice of a proposed annexation, a public hearing, petition requirements and results, voter approval by municipal residents on petition, and a prohibition against certain retaliation for annexation disapproval.

C.S.S.B. 6 authorizes a tier 2 municipality to annex an area with a population of 200 or more only if 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, 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. The bill establishes procedures for such an annexation and provides for the adoption of a resolution by the municipality's governing body, notice of a proposed annexation, public hearings, a petition for property owner consent if applicable, election requirements, election and petition results, voter approval by municipal residents on petition, and a prohibition against certain retaliation for annexation disapproval.

C.S.S.B. 6 establishes that its tier 2 municipality provisions relating to the annexation of an area on the request of the landowners, the annexation of an area with a population of less than 200, and the annexation of an area with a population of at least 200 do not affect the procedures described by certain provisions regarding strategic planning relating to military bases and defense facilities applicable to a defense community.

Other Municipal Annexation Provisions

C.S.S.B. 6 revises provisions relating to strategic partnerships for the continuation of certain water districts with regard to applicable procedures for an annexation under those provisions. The bill restricts the authorization for a general-law municipality to annex a municipally owned reservoir without the consent of any owners or residents of the area and the authorization for a municipality to annex a municipally owned airport without such consent to a tier 1 municipality and, if there are no owners other than the municipality or residents of the area, a tier 2 municipality. The bill specifies that such an annexation occurs under the procedures applicable to a tier 1 municipality.

C.S.S.B. 6 replaces the authorization for a home-rule municipality that has a population of less than 11,000 and is located primarily in a county with a population of more than 3.3 million to annex a noncontiguous municipally owned airport without the consent of the owners or residents of the area with the authorization for such a municipality to annex such an airport under the requirements applicable to a tier 2 municipality. The bill repeals certain provisions that relate to such an annexation.

C.S.S.B. 6 restricts the authority granted to a general-law municipality with a population of 500 or more to annex, by ordinance and without the consent of any person, the part of a street, highway, alley, or other public or private way that is adjacent and runs parallel to the boundaries of the municipality to such a municipality that is a tier 1 municipality. The bill restricts the authority granted to certain small general-law municipalities to annex, by ordinance and without

the consent of any person, a public street, highway, road, or alley adjacent to the municipality to such a municipality that is a tier 1 municipality.

C.S.S.B. 6 authorizes a tier 2 municipality to annex by ordinance a road or the right-of-way of a road on request of the owner of the road or right-of-way or the governing body of the political subdivision that maintains the road or right-of-way under the procedures applicable to a tier 1 municipality.

C.S.S.B. 6 authorizes a tier 2 municipality that is a home-rule municipality with more than 225,000 inhabitants, beginning December 1, 2017, and except as otherwise provided, to annex an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area using applicable tier 2 municipality procedures.

C.S.S.B. 6 makes changes to provisions providing for the disannexation of an annexed area based on a municipality's failure to provide services to reflect the bill's tier 1 and tier 2 municipal annexation procedures. The bill makes changes to provisions relating to the alteration of the annexation status of certain municipal utility districts.

C.S.S.B. 6 requires a municipality that proposes to annex an area to provide written notice of the proposed annexation within the period prescribed for providing the notice of the first hearing under applicable provisions to each public entity that is located in or provides services to the area proposed for annexation. The bill requires a municipality that proposes to enter into a strategic partnership agreement for the continuation of a certain water district to provide written notice of the proposed agreement within the period prescribed for providing the notice of the first hearing under applicable provisions to each political subdivision that is located in or provides services to the area subject to the proposed agreement. The bill sets out content requirements for the notice to a public entity or political subdivision and prohibits the municipality from proceeding with the annexation unless the municipality provides the notice.

C.S.S.B. 6 repeals provisions that require a municipality to apply for preclearance under the federal Voting Rights Act of 1965 of any voting change resulting from an annexation or proposed annexation from the U.S. Department of Justice.

Special District Local Laws Code Provisions

C.S.S.B. 6 amends the Special District Local Laws Code to remove the authorization for a municipality to annex the Travis County Municipal Utility District Nos. 3, 4, 5, 6, 7, 8, or 9, respectively, on the earlier of certain dates. The bill instead requires the governing body of a municipality that plans to annex all or part of such a district, or of the Travis County Water Control and Improvement District No. 19, to first adopt a resolution of intention to annex all or part of the district and transmit that resolution to the district and to the other districts. The bill requires the respective districts, on receipt of the resolution, to call an election to be held on the next uniform election date on the question of whether the annexation should be authorized. The bill authorizes the municipality to annex the territory described in the resolution only if a majority of the total number of voters voting in all of the districts' elections vote in favor of authorizing the annexation. The bill requires the municipality seeking annexation to pay the costs of the elections.

Procedural Provisions

C.S.S.B. 6 applies only to the annexation of an area that is not final on the bill's effective date. The bill provides for the effect of certain repeals.

Repealers

C.S.S.B. 6 repeals the following provisions of the Local Government Code:

- Section 43.036

- Section 43.0546
- Sections 43.056(d) and (h)
- Section 43.056(p), as amended by S.B. 1878, Acts of the 85th Legislature, Regular Session, 2017
- Section 43.0565
- Section 43.0567
- Sections 43.1025(e) and (g)
- Section 43.906

C.S.S.B. 6 repeals Section 5.701(n)(6), Water Code.

EFFECTIVE DATE

December 1, 2017.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 6 may differ from the engrossed in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the engrossed and committee substitute versions of the bill.

SENATE ENGROSSED

SECTION 1. Section 43.001, Local Government Code, is amended to read as follows:

Sec. 43.001. DEFINITIONS
[~~DEFINITION~~]. In this chapter:

(1) "Extraterritorial[,—"extraterritorial] jurisdiction" means extraterritorial jurisdiction as determined under Chapter 42.

(2) "Tier 1 county" means a county with a population of less than 125,000.

(3) "Tier 2 county" means a county with a population of 125,000 or more.

(4) "Tier 1 municipality" means a municipality wholly located in one or more tier 1 counties that proposes to annex an area wholly located in one or more tier 1 counties.

(5) "Tier 2 municipality" means a municipality:

(A) wholly or partly located in a tier 2 county; or

(B) wholly located in one or more tier 1 counties that proposes to annex an area wholly or partly located in a tier 2 county.

SECTION 2. Section 43.002, Local Government Code, is amended.

SECTION 3. Section 43.021, Local Government Code, is transferred to Subchapter A, Chapter 43, Local Government Code, redesignated as Section 43.003, Local Government Code, and

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 43.001, Local Government Code, is amended to read as follows:

Sec. 43.001. DEFINITIONS
[~~DEFINITION~~]. In this chapter:

(1) "Extraterritorial [~~—"extraterritorial~~] jurisdiction" means extraterritorial jurisdiction as determined under Chapter 42.

(2) "Tier 1 county" means a county with a population of less than 500,000.

(3) "Tier 2 county" means a county that is not a tier 1 county.

(4) "Tier 1 municipality" means a municipality wholly located in one or more tier 1 counties that proposes to annex an area wholly located in one or more tier 1 counties.

(5) "Tier 2 municipality" means a municipality:

(A) wholly or partly located in a tier 2 county; or

(B) wholly located in one or more tier 1 counties that proposes to annex an area wholly or partly located in a tier 2 county.

SECTION 2. Same as engrossed version.

SECTION 3. Same as engrossed version.

amended.

SECTION 4. Chapter 43, Local Government Code, is amended by adding Subchapter A-1 to read as follows:

SUBCHAPTER A-1. GENERAL AUTHORITY TO ANNEX

Sec. 43.011. APPLICABILITY.

Sec. 43.0115. AUTHORITY OF CERTAIN MUNICIPALITIES TO ANNEX ENCLAVES.

Sec. 43.0116. AUTHORITY OF MUNICIPALITY TO ANNEX INDUSTRIAL DISTRICTS.

Notwithstanding any other law, a municipality may annex all or part of the area located in an industrial district designated by the governing body of the municipality under Section 42.044 under the requirements applicable to a tier 1 municipality.

Sec. 43.0117. AUTHORITY OF MUNICIPALITY TO ANNEX AREA NEAR MILITARY BASE. (a) In this section, "military base" means a presently functioning federally owned or operated military installation or facility.

(b) Notwithstanding any other law, a municipality may annex for full or limited purposes any part of the area located within one-quarter mile of the boundaries of a military base in which an active training program is conducted only if the municipality and the military base enter into a memorandum of agreement to establish provisions to maintain the compatibility of the municipality's regulation of land in the area with the military base operations following the annexation.

SECTION 5. Section 43.026, Local Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act,

SECTION 4. Chapter 43, Local Government Code, is amended by adding Subchapter A-1 to read as follows:

SUBCHAPTER A-1. GENERAL AUTHORITY TO ANNEX

Sec. 43.011. APPLICABILITY.

Sec. 43.0115. AUTHORITY OF CERTAIN MUNICIPALITIES TO ANNEX ENCLAVES.

Sec. 43.0116. AUTHORITY OF MUNICIPALITY TO ANNEX INDUSTRIAL DISTRICTS. (a)

Notwithstanding any other law and subject to Subsection (b), a municipality may annex all or part of the area located in an industrial district designated by the governing body of the municipality under Section 42.044 under the requirements applicable to a tier 1 municipality.

(b) A municipality that proposes to annex an area located in an industrial district subject to a contract described by Section 42.044(c) may initiate the annexation only:

- (1) on or after the date the contract expires, including any period renewing or extending the contract; or
- (2) as provided by the contract.

Sec. 43.0117. AUTHORITY OF MUNICIPALITY TO ANNEX AREA NEAR MILITARY BASE. (a) In this section, "military base" means a presently functioning federally owned or operated military installation or facility.

(b) Notwithstanding any other law, a municipality may annex for full or limited purposes any part of the area located within five miles of the boundaries of a military base in which an active training program is conducted only if the municipality adopts a resolution that establishes provisions to maintain the compatibility of the municipality's regulation of land in the area with the military base operations following the annexation.

SECTION 5. Same as engrossed version.

redesignated as Section 43.012, Local Government Code, and amended.

SECTION 6. Section 43.027, Local Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignated as Section 43.013, Local Government Code, and amended.

SECTION 7. Section 43.051, Local Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, and redesignated as Section 43.014, Local Government Code.

SECTION 8. Section 43.031, Local Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, and redesignated as Section 43.015, Local Government Code.

SECTION 9. Section 43.035, Local Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignated as Section 43.016, Local Government Code, and amended.

SECTION 10. Section 43.037, Local Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignated as Section 43.017, Local Government Code, and amended to read as follows:

Sec. 43.017 [43.037]. PROHIBITION AGAINST ANNEXATION TO SURROUND MUNICIPALITY IN CERTAIN COUNTIES.

(a) A municipality with a population of more than 175,000 located in a county that contains an international border and borders the Gulf of Mexico may not annex an area that would cause another municipality to be entirely surrounded by the corporate limits or extraterritorial jurisdiction of the annexing municipality.

(b) A municipality described by Subsection (a) to which Section 42.0235 applies and a neighboring municipality may waive Subsection (a) if the governing body of each municipality adopts, on or after December 1, 2017, a resolution stating that this section is waived.

SECTION 6. Same as engrossed version.

SECTION 7. Same as engrossed version.

SECTION 8. Same as engrossed version.

SECTION 9. Same as engrossed version.

SECTION 10. Section 43.037, Local Government Code, is transferred to Subchapter A-1, Chapter 43, Local Government Code, as added by this Act, redesignated as Section 43.017, Local Government Code, and amended to read as follows:

Sec. 43.017 [43.037]. PROHIBITION AGAINST ANNEXATION TO SURROUND MUNICIPALITY IN CERTAIN COUNTIES.

(a) A municipality with a population of more than 175,000 located in a county that contains an international border and borders the Gulf of Mexico may not annex an area that would cause another municipality to be entirely surrounded by the corporate limits or extraterritorial jurisdiction of the annexing municipality.

(b) A municipality described by Subsection (a) to which Section 42.0235 applies and a neighboring municipality may waive Subsection (a) if the governing body of each municipality adopts, on or after September 1, 2017, a resolution stating that this section is waived.

SECTION 11. The heading to Subchapter B, Chapter 43, Local Government Code, is amended.

SECTION 11. Same as engrossed version.

SECTION 12. Subchapter B, Chapter 43, Local Government Code, is amended.

SECTION 12. Same as engrossed version.

SECTION 13. The heading to Subchapter C, Chapter 43, Local Government Code, is amended.

SECTION 13. Same as engrossed version.

SECTION 14. Subchapter C, Chapter 43, Local Government Code, is amended.

SECTION 14. Same as engrossed version.

SECTION 15. Section 43.052(h), Local Government Code, is amended.

SECTION 15. Same as engrossed version.

SECTION 16. Section 43.054(a), Local Government Code, is amended.

SECTION 16. Same as engrossed version.

SECTION 17. Sections 43.056(l) and (n), Local Government Code, are amended.

SECTION 17. Same as engrossed version.

SECTION 18. Section 43.0562(a), Local Government Code, is amended.

SECTION 18. Same as engrossed version.

SECTION 19. Section 43.0563(a), Local Government Code, is amended.

SECTION 19. Same as engrossed version.

SECTION 20. The heading to Subchapter C-1, Chapter 43, Local Government Code, is amended.

SECTION 20. Same as engrossed version.

SECTION 21. Section 43.061, Local Government Code, is amended.

SECTION 21. Same as engrossed version.

SECTION 22. Section 43.062(a), Local Government Code, is amended.

SECTION 22. Same as engrossed version.

SECTION 23. Section 43.064, Local Government Code, is amended.

SECTION 23. Same as engrossed version.

SECTION 24. Chapter 43, Local Government Code, is amended.

SECTION 24. Same as engrossed version.

SECTION 25. Section 43.030, Local Government Code, is transferred to Subchapter C-2, Chapter 43, Local Government Code, as added by this Act, redesignated as Section 43.0662, Local Government Code, and amended.

SECTION 25. Same as engrossed version.

SECTION 26. Chapter 43, Local Government Code, is amended by adding Subchapters C-3, C-4, and C-5 to read as follows:

SECTION 26. Chapter 43, Local Government Code, is amended by adding Subchapters C-3, C-4, and C-5 to read as follows:

SUBCHAPTER C-3. ANNEXATION OF AREA ON REQUEST OF OWNERS: TIER 2 MUNICIPALITIES

Sec. 43.067. APPLICABILITY.

Sec. 43.0671. AUTHORITY TO ANNEX AREA ON REQUEST OF OWNERS.

Sec. 43.0672. WRITTEN AGREEMENT REGARDING SERVICES.

Sec. 43.0673. PUBLIC HEARINGS.

SUBCHAPTER C-4. ANNEXATION OF AREAS WITH POPULATION OF LESS THAN 200: TIER 2 MUNICIPALITIES

Sec. 43.068. APPLICABILITY.

Sec. 43.0681. AUTHORITY TO ANNEX.

Sec. 43.0682. RESOLUTION.

Sec. 43.0683. NOTICE OF PROPOSED ANNEXATION.

Sec. 43.0684. PUBLIC HEARING.

Sec. 43.0685. PETITION.

Sec. 43.0686. RESULTS OF PETITION.

(a) When the petition period prescribed by Section 43.0685 ends, the petition shall be verified by the municipal secretary or other person responsible for verifying signatures. The municipality must notify the residents and property owners of the area proposed to be annexed of the results of the petition.

(b) If the municipality does not obtain the number of signatures on the petition required to annex the area, the municipality may not annex the area and may not adopt another resolution under Section 43.0682 to annex the area until the second anniversary of the date the petition period ended.

(c) If the municipality obtains the number of signatures on the petition required to annex the area, the municipality may 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 public hearing not earlier than the 10th day after the date of the public

SUBCHAPTER C-3. ANNEXATION OF AREA ON REQUEST OF OWNERS: TIER 2 MUNICIPALITIES

Sec. 43.067. APPLICABILITY.

Sec. 43.0671. AUTHORITY TO ANNEX AREA ON REQUEST OF OWNERS.

Sec. 43.0672. WRITTEN AGREEMENT REGARDING SERVICES.

Sec. 43.0673. PUBLIC HEARINGS.

SUBCHAPTER C-4. ANNEXATION OF AREAS WITH POPULATION OF LESS THAN 200: TIER 2 MUNICIPALITIES

Sec. 43.068. APPLICABILITY.

Sec. 43.0681. AUTHORITY TO ANNEX.

Sec. 43.0682. RESOLUTION.

Sec. 43.0683. NOTICE OF PROPOSED ANNEXATION.

Sec. 43.0684. PUBLIC HEARING.

Sec. 43.0685. PETITION.

Sec. 43.0686. RESULTS OF PETITION.

(a) When the petition period prescribed by Section 43.0685 ends, the petition shall be verified by the municipal secretary or other person responsible for verifying signatures. The municipality must notify the residents and property owners of the area proposed to be annexed of the results of the petition.

(b) If the municipality does not obtain the number of signatures on the petition required to annex the area, the municipality may not annex the area and may not adopt another resolution under Section 43.0682 to annex the area until the first anniversary of the date the petition period ended.

(c) If the municipality obtains the number of signatures on the petition required to annex the area, the municipality may 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 public 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. 43.0687. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON PETITION.

Sec. 43.0688. RETALIATION FOR ANNEXATION DISAPPROVAL PROHIBITED.

SUBCHAPTER C-5. ANNEXATION OF AREAS WITH POPULATION OF AT LEAST 200: TIER 2 MUNICIPALITIES

Sec. 43.069. APPLICABILITY.

Sec. 43.0691. AUTHORITY TO ANNEX.

Sec. 43.0692. RESOLUTION.

Sec. 43.0693. NOTICE OF PROPOSED ANNEXATION.

Sec. 43.0694. PUBLIC HEARINGS.

Sec. 43.0695. PROPERTY OWNER CONSENT REQUIRED FOR CERTAIN AREAS.

Sec. 43.0696. ELECTION.

Sec. 43.0697. RESULTS OF ELECTION AND PETITION. (a) Following an election held under this subchapter, the municipality must 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 43.0695.

(b) 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 43.0695 and does not obtain the required number of signatures, the municipality may not annex the area and may not adopt another resolution under Section 43.0692 to annex the area until the second anniversary of the date of the adoption of the resolution.

(c) 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 43.0695, the municipality may annex the area after:

hearing under Subdivision (2) at which the ordinance annexing the area may be adopted.

Sec. 43.0687. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON PETITION.

Sec. 43.0688. RETALIATION FOR ANNEXATION DISAPPROVAL PROHIBITED.

SUBCHAPTER C-5. ANNEXATION OF AREAS WITH POPULATION OF AT LEAST 200: TIER 2 MUNICIPALITIES

Sec. 43.069. APPLICABILITY.

Sec. 43.0691. AUTHORITY TO ANNEX.

Sec. 43.0692. RESOLUTION.

Sec. 43.0693. NOTICE OF PROPOSED ANNEXATION.

Sec. 43.0694. PUBLIC HEARINGS.

Sec. 43.0695. PROPERTY OWNER CONSENT REQUIRED FOR CERTAIN AREAS.

Sec. 43.0696. ELECTION.

Sec. 43.0697. RESULTS OF ELECTION AND PETITION. (a) Following an election held under this subchapter, the municipality must 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 43.0695.

(b) 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 43.0695 and does not obtain the required number of signatures, the municipality may not annex the area and may not adopt another resolution under Section 43.0692 to annex the area until the first anniversary of the date of the adoption of the resolution.

(c) 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 43.0695, the municipality may 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 public 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. 43.0698. VOTER APPROVAL BY
MUNICIPAL RESIDENTS ON PETITION.

Sec. 43.0699. RETALIATION FOR
ANNEXATION DISAPPROVAL
PROHIBITED.

SECTION 27. Sections 43.0715(b) and (c),
Local Government Code, are amended.

SECTION 28. Section 43.0751, Local
Government Code, is amended by amending
Subsection (h) and adding Subsections (s)
and (t) to read as follows:

(h) On the full-purpose annexation
conversion date set forth in the strategic
partnership agreement pursuant to
Subsection (f)(5) [~~(f)(5)(A)~~], the land
included within the boundaries of the district
shall be deemed to be within the full-
purpose boundary limits of the municipality
without the need for further action by the
governing body of the municipality. The
full-purpose annexation conversion date
established by a strategic partnership
agreement may be altered only by mutual
agreement of the district and the
municipality. However, nothing herein shall
prevent the municipality from terminating
the agreement and instituting proceedings to
annex the district, on request by the
governing body of the district, on any date
prior to the full-purpose annexation
conversion date established by the strategic
partnership agreement under the procedures
applicable to a tier 1 municipality. Land
annexed for limited or full purposes under
this section shall not be included in
calculations prescribed by Section
43.055(a).

(s) Notwithstanding any other law and
except as provided by Subsection (t), the
procedures prescribed by Subchapters C-3,
C-4, and C-5 do not apply to the annexation
of an area under this section. Except as
provided by Subsections (h) and (t), a
municipality shall follow the procedures

(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 public 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. 43.0698. VOTER APPROVAL BY
MUNICIPAL RESIDENTS ON PETITION.

Sec. 43.0699. RETALIATION FOR
ANNEXATION DISAPPROVAL
PROHIBITED.

SECTION 27. Same as engrossed version.

SECTION 28. Section 43.0751, Local
Government Code, is amended by amending
Subsection (h) and adding Subsection (s) to
read as follows:

(h) On the full-purpose annexation
conversion date set forth in the strategic
partnership agreement pursuant to
Subsection (f)(5) [~~(f)(5)(A)~~], the land
included within the boundaries of the district
shall be deemed to be within the full-
purpose boundary limits of the municipality
without the need for further action by the
governing body of the municipality. The
full-purpose annexation conversion date
established by a strategic partnership
agreement may be altered only by mutual
agreement of the district and the
municipality. However, nothing herein shall
prevent the municipality from terminating
the agreement and instituting proceedings to
annex the district, on request by the
governing body of the district, on any date
prior to the full-purpose annexation
conversion date established by the strategic
partnership agreement under the procedures
applicable to a tier 1 municipality. Land
annexed for limited or full purposes under
this section shall not be included in
calculations prescribed by Section
43.055(a).

(s) Notwithstanding any other law, the
procedures prescribed by Subchapters C-3,
C-4, and C-5 do not apply to the annexation
of an area under this section. Except as
provided by Subsection (h), a municipality
shall follow the procedures established
under the strategic partnership agreement

established under the strategic partnership agreement for full-purpose annexation of an area under this section.

(t) Notwithstanding the provisions of this section, a municipality subject to this subsection must annex an area described by Subdivision (4)(B) in compliance with Subchapter C-3, C-4, or C-5. This subsection applies only to a municipality that:

- (1) has a population of less than 850,000;
- (2) is served by a municipally owned electric utility with 400,000 or more customers;
- (3) is wholly or partly located in a tier 2 county; and
- (4) is subject to a strategic partnership agreement:
 - (A) executed on or after September 1, 2009; and
 - (B) for which an area proposed for annexation will be annexed before January 1, 2021.

SECTION 29. The heading to Section 43.101, Local Government Code, is amended.

SECTION 30. Section 43.101(c), Local Government Code, is amended.

SECTION 31. Section 43.102(c), Local Government Code, is amended.

SECTION 32. Section 43.1025(c), Local Government Code, is amended.

SECTION 33. The heading to Section 43.103, Local Government Code, is amended.

SECTION 34. Section 43.103(a), Local Government Code, is amended.

SECTION 35. Section 43.105, Local Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

- (a) This section applies only to:
 - (1) a [A] general-law tier 1 municipality that:
 - (A) has a population of 1,066-1,067;
 - (B) [and] is located in a county with a population of 85,000 or more; and
 - (C) [that] is not adjacent to a county with a population of 2 million or more;[;] or
 - (2) a general-law tier 1 municipality that

for full-purpose annexation of an area under this section.

SECTION 29. Same as engrossed version.

SECTION 30. Same as engrossed version.

SECTION 31. Same as engrossed version.

SECTION 32. Same as engrossed version.

SECTION 33. Same as engrossed version.

SECTION 34. Same as engrossed version.

SECTION 35. Section 43.105, Local Government Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

- (a) This section applies only to:
 - (1) a [A] general-law tier 1 municipality that:
 - (A) has a population of 1,066-1,067; and
 - (B) is located in a county with a population of 85,000 or more that is not adjacent to a county with a population of 2 million or more;[;] or
 - (2) a general-law tier 1 municipality that

has a population of 6,000-6,025.
(a-1) Subject to Section 43.1055, a municipality described by Subsection (a) may annex, by ordinance and without the consent of any person, a public street, highway, road, or alley adjacent to the municipality.

SECTION 36. Subchapter E, Chapter 43, Local Government Code, is amended by adding Section 43.1055.

SECTION 37. Sections 43.121(a) and (c), Local Government Code, are amended.

SECTION 38. Subchapter F, Chapter 43, Local Government Code, is amended by adding Section 43.1211.

SECTION 39. Sections 43.141(a) and (b), Local Government Code, are amended.

SECTION 40. Sections 43.203(a) and (b), Local Government Code, are amended.

SECTION 41. Section 43.905(a), Local Government Code, is amended.

SECTION 42. Subchapter Z, Chapter 43, Local Government Code, is amended by adding Section 43.9051.

SECTION 43. Section 8395.151, Special District Local Laws Code, is amended.

SECTION 44. Section 8396.151, Special District Local Laws Code, is amended.

SECTION 45. Section 8397.151, Special District Local Laws Code, is amended.

SECTION 46. Section 8398.151, Special District Local Laws Code, is amended.

SECTION 47. Section 8399.151, Special District Local Laws Code, is amended.

SECTION 48. Section 8400.151, Special District Local Laws Code, is amended.

SECTION 49. Section 8401.151, Special District Local Laws Code, is amended.

SECTION 50. Section 8489.109, Special District Local Laws Code, is amended.

has a population of 6,000-6,025.
(a-1) Subject to Section 43.1055, a municipality described by Subsection (a) may annex, by ordinance and without the consent of any person, a public street, highway, road, or alley adjacent to the municipality.

SECTION 36. Same as engrossed version.

SECTION 37. Same as engrossed version.

SECTION 38. Same as engrossed version.

SECTION 39. Same as engrossed version.

SECTION 40. Same as engrossed version.

SECTION 41. Same as engrossed version.

SECTION 42. Same as engrossed version.

SECTION 43. Same as engrossed version.

SECTION 44. Same as engrossed version.

SECTION 45. Same as engrossed version.

SECTION 46. Same as engrossed version.

SECTION 47. Same as engrossed version.

SECTION 48. Same as engrossed version.

SECTION 49. Same as engrossed version.

SECTION 50. Same as engrossed version.

SECTION 51. Section 9038.110, Special District Local Laws Code, is amended.

SECTION 51. Same as engrossed version.

SECTION 52. Section 9039.110, Special District Local Laws Code, is amended.

SECTION 52. Same as engrossed version.

SECTION 53. Subtitle I, Title 6, Special District Local Laws Code, is amended by adding Chapter 9073.

SECTION 53. Same as engrossed version.

SECTION 54. (a) Sections 43.036, 43.0546, 43.056(d) and (h), 43.0565, 43.0567, 43.1025(e) and (g), and 43.906, Local Government Code, are repealed.

SECTION 54. Same as engrossed version.

(b) Section 43.056(p), Local Government Code, as amended by S.B. 1878, Acts of the 85th Legislature, Regular Session, 2017, is repealed.

(c) Section 5.701(n)(6), Water Code, is repealed.

(d) The repeal of Section 43.036, Local Government Code, by this Act does not affect a boundary change agreement entered into under that section, the release and transfer of area under a boundary change agreement entered into under that section, or the requirements related to a boundary change agreement entered into under that section.

(e) The repeal of Sections 43.056(d), (h), and (p) and Sections 43.0565 and 43.0567, Local Government Code, by this Act and the change in law made by this Act to Sections 43.056(l) and (n), Local Government Code, do not affect a right, requirement, limitation, or remedy provided for under those sections and applicable in an area annexed by a municipality for which the first hearing notice required by Section 43.0561 or 43.063, Local Government Code, as applicable, was published before December 1, 2017.

SECTION 55. The changes in law made by this Act apply to the annexation of an area subject to a development agreement entered into by a municipality with a population of more than 227,000 and less than 236,000, according to the 2010 federal decennial census, under Section 212.172, Local Government Code, before the effective date of this Act that is initiated on or after the expiration date provided for in the agreement. The annexation of an area subject to the agreement that is initiated before the expiration date of the agreement as the result of a termination of the

No equivalent provision.

agreement is governed by the law in effect on January 1, 2017, and the former law is continued in effect for that purpose.

SECTION 56. The changes in law made by this Act apply only to the annexation of an area that is not final on the effective date of this Act. An annexation of an area that was final before the effective date of this Act is governed by those portions of Chapter 43, Local Government Code, that relate to post-annexation procedures and requirements in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 57. This Act takes effect December 1, 2017.

SECTION 55. Same as engrossed version.

SECTION 56. Same as engrossed version.