

By: Campbell, et al.

S.B. No. 715

A BILL TO BE ENTITLED

AN ACT

relating to municipal annexation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 43, Local Government Code, is amended by adding Section 43.003 to read as follows:

Sec. 43.003. LIMITED PURPOSE ANNEXATION GENERALLY PROHIBITED; EXCEPTION. (a) Except as provided by Section 43.0751, beginning September 1, 2017, a municipality may not annex an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area.

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

SECTION 2. Section 43.021, Local Government Code, is amended to read as follows:

Sec. 43.021. AUTHORITY OF HOME-RULE MUNICIPALITY TO ANNEX AREA AND TAKE OTHER ACTIONS REGARDING BOUNDARIES. A home-rule municipality may take the following actions according to rules as may be provided by the charter of the municipality and not inconsistent with the requirements [~~procedural rules~~] prescribed by this chapter:

(1) fix the boundaries of the municipality;

(2) extend the boundaries of the municipality and annex area adjacent to the municipality; and

(3) exchange area with other municipalities.

SECTION 3. Section 43.051, Local Government Code, is transferred to Subchapter B, Chapter 43, Local Government Code, redesignated as Section 43.0211, Local Government Code, and amended to read as follows:

Sec. 43.0211 [43.051]. AUTHORITY TO ANNEX LIMITED TO EXTRATERRITORIAL JURISDICTION. A municipality may annex area only in the municipality's ~~[its]~~ extraterritorial jurisdiction unless the municipality owns the area.

SECTION 4. Section 43.054, Local Government Code, is transferred to Subchapter B, Chapter 43, Local Government Code, redesignated as Section 43.02115, Local Government Code, and amended to read as follows:

Sec. 43.02115 [43.054]. WIDTH REQUIREMENTS. (a) A municipality ~~[with a population of less than 1.6 million]~~ may not annex a publicly or privately owned area, including a strip of area following the course of a road, highway, river, stream, or creek, unless the width of the area at the area's ~~[its]~~ narrowest point is at least 1,000 feet.

(b) The prohibition established by Subsection (a) does not apply if:

(1) the boundaries of the municipality are contiguous to the area on at least two sides;

(2) the annexation is initiated on the request ~~[written petition]~~ of the owners or on the written petition of a majority of the registered ~~[qualified]~~ voters of the area; or

(3) the area abuts or is contiguous to another jurisdictional boundary.

~~[(c) Notwithstanding Subsection (a), a municipality with a population of 21,000 or more located in a county with a population of 100,000 or more may annex a publicly owned strip or similar area following the course of a road or highway for the purpose of annexing territory contiguous to the strip or area if the territory contiguous to the strip or area was formerly used or was to be used in connection with or by a superconducting super collider high-energy research facility.]~~

SECTION 5. Subchapter B, Chapter 43, Local Government Code, is amended by adding Section 43.0212 to read as follows:

Sec. 43.0212. AUTHORITY OF MUNICIPALITY TO ANNEX AREA ON REQUEST OF OWNERS. (a) Notwithstanding Subchapter C or C-1, a municipality may annex an area if each owner of land in the area requests the annexation.

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

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

SECTION 6. Section 43.0235(a), Local Government Code, is amended to read as follows:

(a) A general-law municipality may annex an area in which 50 percent or more of the property in the area to be annexed is primarily used for a commercial or industrial purpose only if the municipality:

(1) is otherwise authorized by this chapter [~~subchapter~~] to annex the area and complies with the requirements prescribed under that authority; and

(2) obtains the written consent of the owners of a majority of the property in the area to be annexed.

SECTION 7. Section 43.026, Local Government Code, is amended to read as follows:

Sec. 43.026. AUTHORITY OF TYPE A GENERAL-LAW MUNICIPALITY TO ANNEX AREA IT OWNS. Notwithstanding Subchapter C or C-1, the [~~The~~] governing body of a Type A general-law municipality by ordinance may annex area that the municipality owns. The ordinance must describe the area by metes and bounds and must be entered in the minutes of the governing body.

SECTION 8. Section 43.027, Local Government Code, is amended to read as follows:

Sec. 43.027. AUTHORITY OF GENERAL-LAW MUNICIPALITY TO ANNEX NAVIGABLE STREAM. Notwithstanding Subchapter C or C-1, the [~~The~~] governing body of a general-law municipality by ordinance may annex any navigable stream adjacent to the municipality and within the municipality's extraterritorial jurisdiction.

SECTION 9. Section 43.029, Local Government Code, is

1 amended by amending Subsection (c) and adding Subsections (d), (e),
2 (f), and (g) to read as follows:

3 (c) Notwithstanding Subchapter C or C-1, the [The] board of
4 trustees of a public school occupying the area may petition the
5 governing body of the municipality in writing to annex the area
6 under the procedures provided by this section. [Sections
7 43.028(c)-(f) apply to the petition and annexation under this
8 section in the same manner in which they apply to the petition and
9 annexation under that section.]

10 (d) The petition must describe the area by metes and bounds
11 and must be acknowledged in the manner required for deeds by each
12 person having an interest in the area.

13 (e) After the 5th day but on or before the 30th day after the
14 date the petition is filed, the governing body shall hear the
15 petition and the arguments for and against the annexation and shall
16 grant or refuse the petition as the governing body considers
17 appropriate.

18 (f) If the governing body grants the petition, the governing
19 body by ordinance may annex the area. On the effective date of the
20 ordinance, the area becomes a part of the municipality.

21 (g) If the petition is granted and the ordinance is adopted,
22 a certified copy of the ordinance together with a copy or duplicate
23 of the petition shall be filed in the office of the county clerk of
24 the county in which the municipality is located.

25 SECTION 10. Section 43.031, Local Government Code, is
26 amended to read as follows:

27 Sec. 43.031. AUTHORITY OF ADJACENT MUNICIPALITIES TO CHANGE

1 BOUNDARIES BY AGREEMENT. Notwithstanding Subchapter C or C-1,
2 adjacent [~~Adjacent~~] municipalities may make mutually agreeable
3 changes in their boundaries of areas that are less than 1,000 feet
4 in width.

5 SECTION 11. The heading to Subchapter C, Chapter 43, Local
6 Government Code, is amended to read as follows:

7 SUBCHAPTER C. ANNEXATION OF AREAS WITH A POPULATION OF LESS THAN
8 200 [~~PROCEDURE FOR AREAS ANNEXED UNDER MUNICIPAL ANNEXATION PLAN~~]

9 SECTION 12. Subchapter C, Chapter 43, Local Government
10 Code, is amended by adding Sections 43.0511 through 43.0518 to read
11 as follows:

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

15 (1) more than 50 percent of the registered voters of
16 the area; and

17 (2) if the registered voters of the area do not own
18 more than 50 percent of the land in the area, more than 50 percent of
19 the owners of land in the area.

20 Sec. 43.0512. RESOLUTION. The governing body of the
21 municipality that proposes to annex an area under this subchapter
22 must adopt a resolution that includes:

23 (1) a statement of the municipality's intent to annex
24 the area;

25 (2) a detailed description and map of the area to be
26 annexed; and

27 (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. Not later than the seventh day after the date the governing body of the municipality adopts the resolution under Section 43.0512, the municipality must mail to each resident in the area proposed to be annexed 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 the services to be provided by the municipality in the area after the annexation.

Sec. 43.0514. PUBLIC HEARING. The governing body of a municipality must conduct at least one public hearing on the

1 proposed annexation at which members of the public are given an
2 opportunity to be heard. The governing body must conduct the
3 hearing not earlier than the 21st day and not later than the 30th
4 day after the date the governing body adopts the resolution under
5 Section 43.0512.

6 Sec. 43.0515. PETITION. (a) The petition required by
7 Section 43.0511 may be signed only by a registered voter of the area
8 proposed to be annexed or an owner of land in the area. The petition
9 must provide for the person signing to state whether the person is
10 signing as a registered voter of the area, as an owner of land in the
11 area, or as both.

12 (b) The municipality may collect signatures on the petition
13 only during the period beginning on the 31st day after the date the
14 governing body of the municipality adopts the resolution under
15 Section 43.0512 and ending on the 90th day after the date the
16 resolution is adopted.

17 (c) The petition must clearly state that a person signing
18 the petition is consenting to the proposed annexation.

19 (d) The petition must include a map of and describe the area
20 proposed to be annexed.

21 (e) The municipality must collect petition signatures in
22 person, except that the municipality may provide for an owner of
23 land in the area who is not a resident of the area to sign the
24 petition electronically.

25 (f) Chapter 277, Election Code, applies to a petition under
26 this section.

27 Sec. 43.0516. RESULTS OF PETITION. (a) When the petition

1 period prescribed by Section 43.0515 ends, the petition shall be
2 verified by the municipal secretary or other person responsible for
3 verifying signatures. The municipality must notify the residents
4 of the area proposed to be annexed of the results of the petition.

5 (b) If the municipality does not obtain the number of
6 signatures on the petition required to annex the area, the
7 municipality may not annex the area and may not adopt another
8 resolution under Section 43.0512 to annex any part of the area until
9 the first anniversary of the date the petition period ended.

10 (c) If the municipality obtains the number of signatures on
11 the petition required to annex the area, the municipality may annex
12 the area after:

- 13 (1) providing notice under Subsection (a);
14 (2) conducting a public hearing at which members of
15 the public are given an opportunity to be heard; and
16 (3) conducting a final hearing not earlier than the
17 10th day after the date of the public hearing under Subdivision (2)
18 at which the ordinance annexing the area may be adopted.

19 Sec. 43.0517. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON
20 PETITION. If a petition protesting the annexation of an area under
21 this subchapter is signed by a number of registered voters of the
22 municipality proposing the annexation equal to at least 50 percent
23 of the number of voters who voted in the most recent municipal
24 election and is received by the municipal secretary before the date
25 the petition period prescribed by Section 43.0515 ends, the
26 municipality may not complete the annexation of the area without
27 approval of a majority of the voters of the municipality voting at

an election called and held for that purpose.

Sec. 43.0518. RETALIATION FOR ANNEXATION DISAPPROVAL PROHIBITED. (a) The disapproval of the proposed annexation of an area under this subchapter does not affect any existing legal obligation of the municipality proposing the annexation to continue to provide governmental services in the area, including water or wastewater services.

(b) The municipality may not initiate a rate proceeding solely because of the disapproval of a proposed annexation of an area under this subchapter.

SECTION 13. The heading to Subchapter C-1, Chapter 43, Local Government Code, is amended to read as follows:

SUBCHAPTER C-1. ANNEXATION OF AREAS WITH A POPULATION OF AT LEAST 200 [~~PROCEDURE FOR AREAS EXEMPTED FROM MUNICIPAL ANNEXATION PLAN~~]

SECTION 14. Subchapter C-1, Chapter 43, Local Government Code, is amended by adding Sections 43.0611 through 43.0619 to read as follows:

Sec. 43.0611. AUTHORITY TO ANNEX. A municipality may 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

1 than 50 percent of the owners of land in the area.

2 Sec. 43.0612. RESOLUTION. The governing body of the
3 municipality that proposes to annex an area under this subchapter
4 must adopt a resolution that includes:

5 (1) a statement of the municipality's intent to annex
6 the area;

7 (2) a detailed description and map of the area to be
8 annexed; and

9 (3) a description of the services to be provided by the
10 municipality in the area after the annexation, including, as
11 applicable:

12 (A) police protection;

13 (B) fire protection;

14 (C) emergency medical services;

15 (D) solid waste collection;

16 (E) operation and maintenance of water and
17 wastewater facilities in the annexed area;

18 (F) operation and maintenance of roads and
19 streets, including road and street lighting;

20 (G) operation and maintenance of parks,
21 playgrounds, and swimming pools; and

22 (H) operation and maintenance of any other
23 publicly owned facility, building, or service.

24 Sec. 43.0613. NOTICE OF PROPOSED ANNEXATION. Not later
25 than the seventh day after the date the governing body of the
26 municipality adopts the resolution under Section 43.0612, the
27 municipality must mail to each property owner in the area proposed

1 to be annexed notification of the proposed annexation that
2 includes:

3 (1) notice of the public hearing required by Section
4 43.0614;

5 (2) notice that an election on the question of
6 annexing the area will be held; and

7 (3) a description of the services to be provided by the
8 municipality in the area after the annexation.

9 Sec. 43.0614. PUBLIC HEARINGS. (a) The governing body of
10 a municipality must conduct at least two public hearings on the
11 proposed annexation at which members of the public are given an
12 opportunity to be heard.

13 (b) The governing body must conduct the first public hearing
14 not earlier than the 21st day and not later than the 30th day after
15 the date the governing body adopts the resolution under Section
16 43.0612.

17 (c) The governing body must conduct the second public
18 hearing not earlier than the 31st day and not later than the 90th
19 day after the date the governing body adopts a resolution under
20 Section 43.0612.

21 Sec. 43.0615. PROPERTY OWNER CONSENT REQUIRED FOR CERTAIN
22 AREAS. (a) If the registered voters in the area proposed to be
23 annexed do not own more than 50 percent of the land in the area, the
24 municipality must obtain consent to the annexation through a
25 petition signed by more than 50 percent of the owners of land in the
26 area in addition to the election required by this subchapter.

27 (b) The municipality must obtain the consent required by

1 this section through the petition process prescribed by Section
2 43.0515, and the petition must be verified in the manner provided by
3 Section 43.0516(a).

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

7 (1) the 90th day after the date the governing body of
8 the municipality adopts the resolution under Section 43.0612; or

9 (2) if the consent of the owners of land in the area is
10 required under Section 43.0615, the 78th day after the date the
11 petition period to obtain that consent ends.

12 (b) An election under this section shall be held in the same
13 manner as general elections of the municipality. The municipality
14 shall pay for the costs of holding the election.

15 Sec. 43.0617. RESULTS OF ELECTION AND PETITION.

16 (a) Following an election held under this subchapter, the
17 municipality must notify the residents of the area proposed to be
18 annexed of the results of the election and, if applicable, of the
19 petition required by Section 43.0615.

20 (b) If at the election held under this subchapter a majority
21 of qualified voters do not approve the proposed annexation, or if
22 the municipality is required to petition owners of land in the area
23 under Section 43.0615 and does not obtain the required number of
24 signatures, the municipality may not annex the area and may not
25 adopt another resolution under Section 43.0612 to annex any part of
26 the area until the first anniversary of the date of the adoption of
27 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 43.0615, the municipality may annex the area after:

- (1) providing notice under Subsection (a);
- (2) conducting a public hearing at which members of the public are given an opportunity to be heard; and
- (3) conducting 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. If a petition protesting the annexation of an area under this subchapter is signed by a number of registered voters of the municipality proposing the annexation equal to at least 50 percent of the number of voters who voted in the most recent municipal election and is received by the municipal secretary before the date the election required by this subchapter is held, the municipality may not complete the annexation of the area without approval of a majority of the voters of the municipality voting at a separate election called and held for that purpose.

Sec. 43.0619. RETALIATION FOR ANNEXATION DISAPPROVAL PROHIBITED. (a) The disapproval of the proposed annexation of an area under this subchapter does not affect any existing legal obligation of the municipality proposing the annexation to continue to provide governmental services in the area, including water or wastewater services.

1 (b) The municipality may not initiate a rate proceeding
2 solely because of the disapproval of a proposed annexation of an
3 area under this subchapter.

4 SECTION 15. Section 43.071(e), Local Government Code, is
5 amended to read as follows:

6 (e) Subsections (b) and (c) [~~(b)-(d)~~] do not apply to the
7 annexation of:

8 (1) an area within a water or sewer district if:

9 (A) the governing body of the district consents
10 to the annexation;

11 (B) the owners in fee simple of the area to be
12 annexed consent to the annexation; and

13 (C) the annexed area does not exceed 525 feet in
14 width at its widest point;

15 (2) a water or sewer district that has a noncontiguous
16 part that is not within the extraterritorial jurisdiction of the
17 municipality; or

18 (3) a part of a special utility district created or
19 operating under Chapter 65, Water Code.

20 SECTION 16. Sections 43.0715(b) and (c), Local Government
21 Code, are amended to read as follows:

22 (b) If a municipality with a population of less than 1.5
23 million annexes a special district for full or limited purposes and
24 the annexation precludes or impairs the ability of the district to
25 issue bonds, the municipality shall, prior to the effective date of
26 the annexation, pay in cash to the landowner or developer of the
27 district a sum equal to all actual costs and expenses incurred by

1 the landowner or developer in connection with the district that the
 2 district has, in writing, agreed to pay and that would otherwise
 3 have been eligible for reimbursement from bond proceeds under the
 4 rules and requirements of the Texas ~~[Natural Resource Conservation]~~
 5 Commission on Environmental Quality as such rules and requirements
 6 exist on the date of annexation. ~~[For an annexation that is subject~~
 7 ~~to preclearance by a federal authority, a payment will be~~
 8 ~~considered timely if the municipality: (i) escrows the~~
 9 ~~reimbursable amounts determined in accordance with Subsection (c)~~
 10 ~~prior to the effective date of the annexation; and (ii)~~
 11 ~~subsequently causes the escrowed funds and accrued interest to be~~
 12 ~~disbursed to the developer within five business days after the~~
 13 ~~municipality receives notice of the preclearance.]~~

14 (c) At the time notice of the municipality's intent to annex
 15 the land within the district is first published ~~[in accordance with~~
 16 ~~Section 43.052]~~, the municipality shall proceed to initiate and
 17 complete a report for each developer conducted in accordance with
 18 the format approved by the Texas ~~[Natural Resource Conservation]~~
 19 Commission on Environmental Quality for audits. In the event the
 20 municipality is unable to complete the report prior to the
 21 effective date of the annexation as a result of the developer's
 22 failure to provide information to the municipality which cannot be
 23 obtained from other sources, the municipality shall obtain from the
 24 district the estimated costs of each project previously undertaken
 25 by a developer which are eligible for reimbursement. The amount of
 26 such costs, as estimated by the district, shall be escrowed by the
 27 municipality for the benefit of the persons entitled to receive

1 payment in an insured interest-bearing account with a financial
2 institution authorized to do business in the state. To compensate
3 the developer for the municipality's use of the infrastructure
4 facilities pending the determination of the reimbursement amount
5 ~~[or federal preclearance]~~, all interest accrued on the escrowed
6 funds shall be paid to the developer whether or not the annexation
7 is valid. Upon placement of the funds in the escrow account, the
8 annexation may become effective. In the event a municipality
9 timely escrows all estimated reimbursable amounts as required by
10 this subsection and all such amounts, determined to be owed,
11 including interest, are subsequently disbursed to the developer
12 within five days of final determination in immediately available
13 funds as required by this section, no penalties or interest shall
14 accrue during the pendency of the escrow. Either the municipality
15 or developer may, by written notice to the other party, require
16 disputes regarding the amount owed under this section to be subject
17 to nonbinding arbitration in accordance with the rules of the
18 American Arbitration Association.

19 SECTION 17. Sections [43.072\(b\)](#) and (d), Local Government
20 Code, are amended to read as follows:

21 (b) A home-rule municipality having a common boundary with a
22 district subject to this section may annex the area of the district
23 if:

24 (1) the annexation complies with the requirements of
25 Subchapter C or C-1, as applicable ~~[is approved by a majority of the~~
26 ~~qualified voters who vote on the question at an election held under~~
27 ~~this section]~~;

1 (2) the annexation is completed before the date that
2 is one year after the date the petition period prescribed by Section
3 43.0515 ends or the date of the election under Section 43.0616, as
4 applicable; and

5 (3) all the area of the district is annexed.

6 (d) Annexation of area under this section is exempt from the
7 provisions of this chapter that prohibit:

8 (1) a municipality from annexing area outside its
9 extraterritorial jurisdiction;

10 (2) annexation of area narrower than the minimum width
11 prescribed by Section 43.02115 [~~43.054~~]; or

12 (3) reduction of the extraterritorial jurisdiction of
13 a municipality without the written consent of the municipality's
14 governing body.

15 SECTION 18. Section 43.0751, Local Government Code, is
16 amended by amending Subsections (b), (d), and (h) and adding
17 Subsection (s) to read as follows:

18 (b) The governing bodies of a municipality and a district
19 may negotiate and enter into a written strategic partnership
20 agreement for the district by mutual consent. The governing body of
21 a municipality, on written request from a district located in the
22 municipality's extraterritorial jurisdiction [~~included in the~~
23 ~~municipality's annexation plan under Section 43.052~~], may [~~shall~~]
24 negotiate and enter into a written strategic partnership agreement
25 with the district. [~~A district included in a municipality's~~
26 ~~annexation plan under Section 43.052~~].

27 [~~(1) may not submit its written request before the~~

~~date of the second hearing required under Section 43.0561, and~~

~~[(2) must submit its written request before the 61st day after the date of the second hearing required under Section 43.0561.]~~

(d) Before the governing body of a municipality or a district adopts a strategic partnership agreement, it shall 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. Notice of public hearings conducted by the governing body of a municipality under this subsection shall be published in a newspaper of general circulation in the municipality and in the district~~[- The notice must be in the format prescribed by Section 43.123(b)]~~ and must be published at least once on or after the 20th day before the [each] date of each hearing. The notice may not be 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. Notice of public hearings conducted by the governing body of a district under this subsection shall be given in accordance with the district's notification procedures for other matters of public importance. Any notice of a public hearing conducted under this subsection shall contain a statement of the purpose of the hearing, the date, time, and place of the hearing, and the location where copies of the proposed agreement may be obtained prior to the hearing. The governing bodies of a municipality and a district may conduct joint public hearings under this subsection, provided that at least one public hearing is conducted within the district.

(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 prescribed by Subchapter C-1, as that subchapter existed on January 1, 2017. [~~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 and C-1 do not apply to the full-purpose 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 for full-purpose annexation of an area under this section.

SECTION 19. Section 43.07515(a), Local Government Code, is amended to read as follows:

(a) A municipality may not regulate under Section 43.0751 [~~or 43.0752~~] the sale, use, storage, or transportation of fireworks

1 outside of the municipality's boundaries.

2 SECTION 20. Section 43.101(d), Local Government Code, is
3 amended to read as follows:

4 (d) The municipality may annex the area even if part of the
5 area is outside the municipality's extraterritorial jurisdiction
6 or is narrower than the minimum width prescribed by Section
7 43.02115 [43.054]. [~~Section 43.055, which relates to the amount of~~
8 ~~area a municipality may annex in a calendar year, does not apply to~~
9 ~~the annexation.~~]

10 SECTION 21. Section 43.102(d), Local Government Code, is
11 amended to read as follows:

12 (d) The municipality may annex the area even if the area is
13 outside the municipality's extraterritorial jurisdiction, is in
14 another municipality's extraterritorial jurisdiction, or is
15 narrower than the minimum width prescribed by Section 43.02115
16 [43.054]. [~~Section 43.055, which relates to the amount of area a~~
17 ~~municipality may annex in a calendar year, does not apply to the~~
18 ~~annexation.~~]

19 SECTION 22. Sections 43.1025(c) and (g), Local Government
20 Code, are amended to read as follows:

21 (c) Annexation of the [The] area described by Subsection (b)
22 [~~may be annexed without the consent of the owners or residents of~~
23 ~~the area, but the annexation~~] may not occur unless each
24 municipality in whose extraterritorial jurisdiction the area may be
25 located:

26 (1) consents to the annexation; and

27 (2) reduces its extraterritorial jurisdiction over

1 the area as provided by Section 42.023.

2 (g) The municipality may annex the area if the area is
3 narrower than the minimum width prescribed by Section 43.02115
4 [43.054]. [~~Section 43.055 does not apply to the annexation.~~]

5 SECTION 23. Subchapter F, Chapter 43, Local Government
6 Code, is amended by adding Section 43.1211 to read as follows:

7 Sec. 43.1211. APPLICABILITY. This subchapter applies to an
8 area that was annexed for a limited purpose as authorized before
9 September 1, 2017.

10 SECTION 24. Section 43.127(a), Local Government Code, is
11 amended to read as follows:

12 (a) On [~~Except as provided by Section 43.123(e), on~~] or
13 before the date prescribed by the regulatory plan prepared for the
14 limited purpose area [~~under Section 43.123(d)(2)~~], the
15 municipality must annex the area for full purposes. [~~This~~
16 ~~requirement may be waived and the date for full-purpose annexation~~
17 ~~postponed by written agreement between the municipality and a~~
18 ~~majority of the affected landowners. A written agreement to waive~~
19 ~~the municipality's obligation to annex the area for full purposes~~
20 ~~binds all future owners of land annexed for limited purposes~~
21 ~~pursuant to that waiver.~~]

22 SECTION 25. Sections 43.141(a) and (b), Local Government
23 Code, are amended to read as follows:

24 (a) A majority of the qualified voters of an annexed area
25 may petition the governing body of the municipality to disannex the
26 area if the municipality fails or refuses to provide services or to
27 cause services to be provided to the area as described by the

written agreement under Section 43.0212 or the resolution under
Section 43.0512 or 43.0612, as applicable ~~[within the period~~
~~specified by Section 43.056 or by the service plan prepared for the~~
~~area under that section]~~.

(b) If the governing body fails or refuses to disannex the area within 60 days after the date of the receipt of the petition, any one or more of the signers of the petition may 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. On the filing of an answer by the governing body, and on application of either party, the case shall be advanced and heard without further delay in accordance with the Texas Rules of Civil Procedure. The district court shall 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 26. Section 43.201(2), Local Government Code, is amended to read as follows:

(2) "Limited-purpose annexation" means annexation authorized under former Section 43.121, as that section existed on
January 1, 2017.

SECTION 27. Section 43.203(a), Local Government Code, is amended to read as follows:

(a) This section applies only to the ~~[The]~~ governing body of a district that by resolution petitioned ~~[may petition]~~ a municipality to alter the annexation status of land in the district

1 from full-purpose annexation to limited-purpose annexation and
2 before September 1, 2017:

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

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

7 SECTION 28. Section 43.905(a), Local Government Code, is
8 amended to read as follows:

9 (a) A municipality that proposes to annex an area shall
10 provide written notice of the proposed annexation to each public
11 school district located in the area proposed for annexation within
12 the period prescribed for providing ~~[publishing]~~ the notice of the
13 first hearing under Section 43.0212, 43.0513, [43.0561] or 43.0613
14 [43.063], as applicable.

15 SECTION 29. Section 775.0754(d), Health and Safety Code, is
16 amended to read as follows:

17 (d) A municipality that enters into an agreement under this
18 section is not required to provide emergency services in that
19 annexed territory. To the extent of a conflict between this
20 subsection and ~~[Section 43.056, Local Government Code, or]~~ any
21 other law, this subsection controls.

22 SECTION 30. Section 3833.209(e), Special District Local
23 Laws Code, is amended to read as follows:

24 (e) The terms and conditions of the negotiated service plan
25 bind the city for the period provided by Section 43.056(1), Local
26 Government Code, as that section existed on January 1, 2017, and the
27 developer, the developer's heirs, successors, and assigns, and any

1 person taking title to all or a portion of the property annexed
2 under the annexation petition for that period.

3 SECTION 31. Section 8489.109, Special District Local Laws
4 Code, is amended to read as follows:

5 Sec. 8489.109. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT.
6 For the purposes of any [~~Section 43.021(2), Local Government Code,~~
7 ~~or other~~] law, including a municipal charter or ordinance relating
8 to annexation, an area adjacent to the district or any new district
9 created by the division of the district is considered adjacent to a
10 municipality in whose corporate limits or extraterritorial
11 jurisdiction any of the land in the area described by Section 2 of
12 the Act enacting this chapter is located.

13 SECTION 32. Section 9038.110, Special District Local Laws
14 Code, is amended to read as follows:

15 Sec. 9038.110. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT.
16 For the purposes of any [~~Section 43.021(2), Local Government Code,~~
17 ~~or other~~] law, including a municipal charter or ordinance relating
18 to annexation, an area adjacent to the district or any new district
19 created by the division of the district is considered adjacent to a
20 municipality in whose corporate limits or extraterritorial
21 jurisdiction any of the land in the area described by Section 2 of
22 the Act creating this chapter is located.

23 SECTION 33. Section 9039.110, Special District Local Laws
24 Code, is amended to read as follows:

25 Sec. 9039.110. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT.
26 For the purposes of any [~~Section 43.021(2), Local Government Code,~~
27 ~~or other~~] law, including a municipal charter or ordinance relating

1 to annexation, an area adjacent to the district or any new district
2 created by the division of the district is considered adjacent to a
3 municipality in whose corporate limits or extraterritorial
4 jurisdiction any of the land in the area described by Section 2 of
5 the Act creating this chapter is located.

6 SECTION 34. (a) Sections 42.0411, 43.022, 43.023, 43.024,
7 43.025, 43.028, 43.030, 43.032, 43.033, 43.034, 43.035(c), 43.036,
8 43.052, 43.053, 43.0545, 43.0546, 43.055, 43.056, 43.0561,
9 43.0562, 43.0563, 43.0564, 43.0565, 43.0567, 43.057, 43.061,
10 43.062, 43.063, 43.064, 43.065, 43.071(d), (f), and (g), 43.072(c),
11 (e), (g), (h), (i), (j), (k), (l), and (m), 43.0751(o), 43.0752,
12 43.101(c), 43.102(c), 43.1025(e), 43.103, 43.105, 43.121, 43.122,
13 43.123, 43.124, 43.125, 43.126, 43.129, 43.132, 43.147, and 43.906,
14 Local Government Code, are repealed.

15 (b) Subchapter Y, Chapter 43, Local Government Code, is
16 repealed.

17 (c) Sections 8374.252(a), 8375.252(a), 8376.252(a),
18 8377.252(a), 8378.252(a), 8382.252(a), 8383.252(a), 8384.252(a),
19 8385.252(a), and 8477.302(a), Special District Local Laws Code, are
20 repealed.

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

22 SECTION 35. The governing body of a municipality that has
23 designated any part of its extraterritorial jurisdiction as an
24 industrial district under Section 42.044, Local Government Code,
25 before, on, or after the effective date of this Act may annex all or
26 part of the designated area pursuant to the authority granted by the
27 municipality's home-rule charter. Notwithstanding Section 43.021,

1 Local Government Code, as amended by this Act, the authority of a
2 municipality to annex all or part of the area described by this
3 section is governed solely by the municipality's home-rule charter
4 and is not subject to any restrictions or procedural requirements
5 imposed by Chapter 43, Local Government Code, as amended by this
6 Act.

7 SECTION 36. The changes in law made by this Act do not apply
8 to an area that is the subject of an agreement between a
9 municipality with a population between 1.3 million and 1.5 million
10 and a municipality with a population between 18,050 and 18,200 that
11 contains a plan that is approved by the municipalities before the
12 effective date of this Act for phased boundary adjustments between
13 the municipalities, releases of extraterritorial jurisdiction by
14 the more populous municipality, and annexations by the less
15 populous municipality. A municipal boundary adjustment, release of
16 extraterritorial jurisdiction, or annexation contained in a plan
17 under an agreement described by this section is governed by the law
18 in effect at the time the agreement was approved by the
19 municipalities, and the former law is continued in effect for that
20 purpose.

21 SECTION 37. The changes in law made by this Act apply only
22 to the annexation of an area that is not final on the effective date
23 of this Act. An annexation of an area that was final before the
24 effective date of this Act is governed by those portions of Chapter
25 43, Local Government Code, that relate to post-annexation
26 procedures and requirements in effect immediately before the
27 effective date of this Act, and that law is continued in effect for

1 that purpose.

2 SECTION 38. This Act takes effect September 1, 2017.