

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 22, 2017

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB715 by Campbell (Relating to municipal annexation.), As Passed 2nd House

No significant fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to add subchapters regulating the annexation authority and procedures of municipalities wholly located in one or more counties each with a population of over 500,000 or a municipality wholly located in a population of 500,000 or less that proposes to annex an area in a county with a population of 500,000 or more. Authorizes certain annexations. Prohibits various limited purpose annexations. Regulates the provision of certain services in annexed areas. Prohibits certain retaliatory actions.

The bill would repeal certain provisions related to annexation of certain specified areas. Repeals provisions authorizing, under certain circumstances, the annexation of non-contiguous or narrowly connected areas. Repeals requirement for jurisdictions to seek Federal preclearance prior to annexation. Repeals a provision of the Water Code relating to collection of regulatory assessments from retail customers.

The changes in law made by this bill do not apply to an annexation for which notice of certain statutorily required hearings was published before September 1, 2017. The former law is continued in effect in these cases.

The provisions of the bill would have no direct implication to the operations of state government.

The bill would take effect September 1, 2017.

Local Government Impact

According to the Texas Municipal League, the fiscal implication of this bill cannot be determined but would be significant to municipalities. The framework for annexation following passage of the bill would substantially reduce the ability of municipalities to annex areas surrounding their boundaries.

Source Agencies:

LBB Staff: UP, JGA, GG, GP, SZ, BM