

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 6, 2017

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB715** by Campbell (Relating to municipal annexation.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would repeal various sections of the Local Government Code related to annexations. Provisions repealed include various general authorizations for Home Rule and General Law municipalities to annex surrounding territories and various authorizations for location-specific annexations. Repeals various provisions relating to development of plans following annexation. Repeals certain provisions related to annexation of non-contiguous or areas of limited physical connection to an annexing jurisdiction. Repeals certain provisions relating to authorization of limited-purpose annexation. Repeals certain provisions related to disannexation. 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. Repeals provisions of the Special District Local Laws Code that relate to municipal annexation of various special district entities.

The bill would amend the Local Government Code to generally prohibit limited purpose annexation. It authorizes the annexation of noncontiguous areas that are in the extraterritorial jurisdiction of the municipality. It authorizes the annexation of an area when each owner of the land requests the annexation following certain conditions. It amends the procedures under which certain small municipalities may annex unoccupied areas on petition of a school board. It authorizes annexation of areas under a population of 200 under certain specified conditions. It requires certain notices concerning strategic partnership agreements. It prohibits retaliation in rate setting following a disapproved annexation vote.

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

This bill would take effect September 1, 2017.

Local Government Impact

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

Source Agencies:

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