

1-1 By: Campbell S.B. No. 1326
 1-2 (In the Senate - Filed February 28, 2019; March 7, 2019,
 1-3 read first time and referred to Committee on Intergovernmental
 1-4 Relations; May 6, 2019, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 6, Nays 1;
 1-6 May 6, 2019, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14		X		
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1326 By: Nichols

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to municipal release of extraterritorial jurisdiction and
 1-20 disannexation involving certain areas.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subchapter B, Chapter 42, Local Government Code,
 1-23 is amended by adding Section 42.0252 to read as follows:

1-24 Sec. 42.0252. RELEASE OF EXTRATERRITORIAL JURISDICTION:
 1-25 CERTAIN AREAS. (a) This section applies only in the
 1-26 extraterritorial jurisdiction of a municipality to:

1-27 (1) an area that is subject to a legal determination
 1-28 that the municipality failed to provide or agree to provide
 1-29 adequate services to the area; or

1-30 (2) an area that is:

1-31 (A) adjacent to an area described by Subdivision
 1-32 (1);

1-33 (B) part of a real estate subdivision that
 1-34 contains all or part of an area described by Subdivision (1); and

1-35 (C) under the jurisdiction of a single property
 1-36 owners' association that governs the entire real estate
 1-37 subdivision.

1-38 (b) For purposes of this section, a real estate subdivision
 1-39 is:

1-40 (1) the subdivision's platted area; and

1-41 (2) adjacent property owned or subject to assessment
 1-42 by the property owners' association of the subdivision.

1-43 (c) A majority of the registered voters in an area described
 1-44 by Subsection (a)(1) or in a portion of the area may petition the
 1-45 municipality to release the area from the municipality's
 1-46 extraterritorial jurisdiction.

1-47 (d) A majority of the registered voters in an area described
 1-48 by Subsection (a)(2) may petition the municipality to release the
 1-49 area from the municipality's extraterritorial jurisdiction if a
 1-50 petition has been filed under Subsection (c) for another area
 1-51 located in the same real estate subdivision.

1-52 (e) A petition described by this section must be filed with
 1-53 the secretary or clerk of the municipality.

1-54 (f) Not later than the 10th day after the date the secretary
 1-55 or clerk receives a petition under this section, the secretary or
 1-56 clerk shall determine whether the petition is valid. If the
 1-57 petition is determined valid, the governing body of the
 1-58 municipality shall immediately enter in the minutes or records of
 1-59 the municipality an order releasing the area from the
 1-60 municipality's extraterritorial jurisdiction.

2-1 (g) After an area is released from a municipality's
2-2 extraterritorial jurisdiction under this section, the area may:
2-3 (1) remain as an unincorporated area of the county;
2-4 (2) incorporate in accordance with state law; or
2-5 (3) notwithstanding Section 43.014, be annexed by an
2-6 adjacent municipality under the procedures prescribed by
2-7 Subchapter C-3, C-4, or C-5, Chapter 43, as applicable, without
2-8 being located in the municipality's extraterritorial jurisdiction.

2-9 SECTION 2. Subchapter G, Chapter 43, Local Government Code,
2-10 is amended by adding Section 43.1435 to read as follows:

2-11 Sec. 43.1435. DISANNEXATION BY PETITION: CERTAIN REAL
2-12 ESTATE SUBDIVISIONS. (a) This section applies only to an area
2-13 that constitutes a portion of a real estate subdivision that is:

2-14 (1) located in and contiguous to the boundary of a
2-15 municipality;

2-16 (2) under the jurisdiction of a property owners'
2-17 association that governs the entire real estate subdivision; and

2-18 (3) either:

2-19 (A) subject to a legal determination that the
2-20 municipality failed to provide or agree to provide adequate
2-21 services to the area; or

2-22 (B) adjacent to another area in the subdivision
2-23 that is subject to a legal determination described by Paragraph
2-24 (A).

2-25 (b) For purposes of this section, a real estate subdivision
2-26 is:

2-27 (1) the subdivision's platted area; and

2-28 (2) adjacent property owned or subject to assessment
2-29 by the property owners' association of the subdivision.

2-30 (c) A majority of the registered voters of an area subject
2-31 to this section may petition the municipality to disannex the area.
2-32 The petition must be filed with the secretary or clerk of the
2-33 municipality.

2-34 (d) Not later than the 10th day after the date the secretary
2-35 or clerk receives the petition under Subsection (c), the secretary
2-36 or clerk shall determine whether the petition is valid. If the
2-37 petition is determined valid, the governing body of the
2-38 municipality shall immediately enter in the minutes or records of
2-39 the municipality an order discontinuing the area as part of the
2-40 municipality. The area ceases to be a part of the municipality on
2-41 the date of the entry of the order.

2-42 (e) A disannexation under this section does not authorize
2-43 the impairment of a municipal debt obligation and, to the extent
2-44 applicable, the area is not released from its pro rata share of that
2-45 indebtedness. The governing body shall continue to levy a property
2-46 tax each year on the property in the area at the same rate that is
2-47 levied on other property in the municipality until the taxes
2-48 collected from the area equal its pro rata share of the
2-49 indebtedness. Those taxes may be charged only with the cost of
2-50 levying and collecting the taxes, and the taxes shall be applied
2-51 exclusively to the payment of the pro rata share of the
2-52 indebtedness. This subsection does not prevent the inhabitants of
2-53 the area from paying in full at any time their pro rata share of the
2-54 indebtedness.

2-55 SECTION 3. This Act takes effect immediately if it receives
2-56 a vote of two-thirds of all the members elected to each house, as
2-57 provided by Section 39, Article III, Texas Constitution. If this
2-58 Act does not receive the vote necessary for immediate effect, this
2-59 Act takes effect September 1, 2019.

2-60 * * * * *