

By: Campbell

S.B. No. 1639

A BILL TO BE ENTITLED

AN ACT

relating to the procedures for municipal annexations.

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 PROHIBITED. (a) Beginning September 1, 2015, 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 43.029, Local Government Code, is amended by amending Subsection (c) and adding Subsections (d), (e), (f), and (g) to read as follows:

(c) The board of trustees of a public school occupying the area may petition the governing body of the municipality in writing to annex the area. [~~Sections 43.028(c)-(f) apply to the petition and annexation under this section in the same manner in which they apply to the petition and annexation under that section.~~]

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

(e) After the 5th day but on or before the 30th day after the date the petition is filed, the governing body shall hear the

1 petition and the arguments for and against the annexation and shall
2 grant or refuse the petition as the governing body considers
3 appropriate.

4 (f) If the governing body grants the petition, the governing
5 body by ordinance may annex the area. On the effective date of the
6 ordinance, the area becomes a part of the municipality and the
7 inhabitants of the area are entitled to the rights and privileges of
8 other citizens of the municipality and are bound by the acts and
9 ordinances adopted by the municipality.

10 (g) If the petition is granted and the ordinance is adopted,
11 a certified copy of the ordinance together with a copy or duplicate
12 of the petition shall be filed in the office of the county clerk of
13 the county in which the municipality is located.

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

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

22 SECTION 4. Subchapter B, Chapter 43, Local Government Code,
23 is amended by adding Sections 43.0212 and 43.0213 to read as
24 follows:

25 Sec. 43.0212. AUTHORITY TO ANNEX NONCONTIGUOUS AREAS. A
26 municipality may annex an area that is noncontiguous to the
27 boundaries of the municipality if the area is in the municipality's

1 extraterritorial jurisdiction.

2 Sec. 43.0213. AUTHORITY OF MUNICIPALITY TO ANNEX AREA ON
3 REQUEST OF OWNERS. (a) A municipality may annex an area if each
4 owner of land in the area requests the annexation.

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

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

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

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

22 SECTION 6. Subchapter C, Chapter 43, Local Government Code,
23 is amended by adding Sections 43.0511 through 43.0517 to read as
24 follows:

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

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

3 (2) if the registered voters of the area do not own
4 more than 50 percent of the land in the area, more than 50 percent of
5 the owners of land in the area.

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

9 (1) a statement of the municipality's intent to annex
10 the area;

11 (2) a detailed description and map of the area to be
12 annexed; and

13 (3) a description of the services to be provided by the
14 municipality in the area after the annexation, including, as
15 applicable:

16 (A) police protection;

17 (B) fire protection;

18 (C) emergency medical services;

19 (D) solid waste collection;

20 (E) operation and maintenance of water and
21 wastewater facilities in the annexed area;

22 (F) operation and maintenance of roads and
23 streets, including road and street lighting;

24 (G) operation and maintenance of parks,
25 playgrounds, and swimming pools; and

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

1 Sec. 43.0513. NOTICE OF PROPOSED ANNEXATION. Not later
2 than the seventh day after the date the governing body of the
3 municipality adopts the resolution under Section 43.0512, the
4 municipality must mail to each resident in the area notification of
5 the proposed annexation that includes:

6 (1) notice of the public hearing required by Section
7 43.0514;

8 (2) an explanation of the 60-day petition period
9 described by Section 43.0515; and

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

12 Sec. 43.0514. INITIAL PUBLIC HEARING. The governing body
13 of a municipality must conduct at least one public hearing not
14 earlier than the 21st day and not later than the 30th day after the
15 date the governing body adopts the resolution under Section
16 43.0512.

17 Sec. 43.0515. PETITION. (a) The petition required by
18 Section 43.0511 may be signed only by a registered voter of the area
19 or an owner of land in the area. The petition must provide for the
20 person signing to state whether the person is signing as a
21 registered voter of the area, as an owner of land in the area, or as
22 both.

23 (b) The municipality may collect signatures on the petition
24 only during the period beginning on the 31st day after the date the
25 governing body of the municipality adopts the resolution under
26 Section 43.0512 and ending on the 90th day after the date the
27 resolution is adopted.

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

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

5 (e) The municipality must collect petition signatures in
6 person, except that the municipality may provide for an owner of
7 land in the area that is not a resident of the area to sign the
8 petition electronically.

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

11 Sec. 43.0516. RESULTS OF PETITION. (a) When the petition
12 period prescribed by Section 43.0515 ends, the petition shall be
13 verified by the municipal secretary or other person responsible for
14 verifying signatures. The municipality must notify the residents
15 of the area proposed to be annexed of the results of the petition.

16 (b) If the municipality does not obtain the number of
17 signatures on the petition required to annex the area, the
18 municipality may not annex the area and may not adopt another
19 resolution under Section 43.0512 to annex the same area until the
20 first anniversary of the date the petition period ended.

21 (c) If the municipality obtains the number of signatures on
22 the petition required to annex the area, the municipality may annex
23 the area after:

24 (1) providing notice under Subsection (a);
25 (2) holding a public hearing at which members of the
26 public are given an opportunity to be heard; and

27 (3) holding a final hearing not earlier than the 10th

1 day after the date of the public hearing under Subdivision (2) at
2 which the ordinance annexing the area may be adopted.

3 Sec. 43.0517. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON
4 PETITION. Notwithstanding Section 43.0516, a municipality may not
5 annex an area under this subchapter without approval of a majority
6 of the voters voting at an election called and held for that purpose
7 if a petition protesting the annexation is signed by a number of
8 registered voters of the municipality equal to at least 50 percent
9 of the number of voters who voted in the most recent municipal
10 election and is received by the secretary of the municipality
11 before the date the petition period prescribed by Section 43.0515
12 ends.

13 SECTION 7. The heading to Subchapter C-1, Chapter 43, Local
14 Government Code, is amended to read as follows:

15 SUBCHAPTER C-1. ANNEXATION OF AREAS WITH A POPULATION OF AT LEAST
16 200 [~~PROCEDURE FOR AREAS EXEMPTED FROM MUNICIPAL ANNEXATION PLAN~~]

17 SECTION 8. Subchapter C-1, Chapter 43, Local Government
18 Code, is amended by adding Sections 43.0611 through 43.0618 to read
19 as follows:

20 Sec. 43.0611. AUTHORITY TO ANNEX. A municipality may annex
21 an area with a population of 200 or more only if the following
22 conditions are met, as applicable:

23 (1) the municipality holds an election in the area
24 proposed to be annexed at which the qualified voters of the area may
25 vote on the question of the annexation, and a majority of the votes
26 received at the election approve the annexation; and

27 (2) if the registered voters of the area do not own

1 more than 50 percent of the land in the area, the municipality
2 obtains consent to annex the area through a petition signed by more
3 than 50 percent of the owners of land in the area.

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

7 (1) a statement of the municipality's intent to annex
8 the area;

9 (2) a detailed description and map of the area to be
10 annexed; and

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

14 (A) police protection;

15 (B) fire protection;

16 (C) emergency medical services;

17 (D) solid waste collection;

18 (E) operation and maintenance of water and
19 wastewater facilities in the annexed area;

20 (F) operation and maintenance of roads and
21 streets, including road and street lighting;

22 (G) operation and maintenance of parks,
23 playgrounds, and swimming pools; and

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

26 Sec. 43.0613. NOTICE OF PROPOSED ANNEXATION. Not later
27 than the seventh day after the date the governing body of the

1 municipality adopts the resolution under Section 43.0612, the
2 municipality must mail to each property owner in the area
3 notification of the proposed annexation that includes:

4 (1) notice of the public hearing required by Section
5 43.0614;

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

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

10 Sec. 43.0614. PUBLIC HEARINGS. (a) The governing body of a
11 municipality must conduct at least one public hearing not earlier
12 than the 21st day and not later than the 30th day after the date the
13 governing body adopts the resolution under Section 43.0612.

14 (b) The governing body must conduct an additional public
15 hearing not earlier than the 31st day and not later than the 90th
16 day after the date the governing body adopts a resolution under
17 Section 43.0612.

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

24 (b) The municipality must obtain the consent required by
25 this section through the petition process prescribed by Section
26 43.0515, and the petition must be verified in the manner provided by
27 Section 43.0516(a).

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

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

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

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

12 (c) A municipality that holds an election under this section
13 may not hold another election on the question of annexation before
14 the corresponding uniform election date of the following year.

15 Sec. 43.0617. RESULTS OF ELECTION AND PETITION. (a)
16 Following an election held under this subchapter, the municipality
17 must notify the residents of the area proposed to be annexed of the
18 results of the election and, if applicable, of the petition
19 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 the same
26 area until the first anniversary of the date of the adoption of the
27 resolution.

1 (c) If at the election held under this subchapter a majority
2 of qualified voters approve the proposed annexation, and if the
3 municipality, as applicable, obtains the required number of
4 petition signatures under Section 43.0615, the municipality may
5 annex the area after:

6 (1) providing notice under Subsection (a);

7 (2) holding a public hearing at which members of the
8 public are given an opportunity to be heard; and

9 (3) holding a final hearing not earlier than the 10th
10 day after the date of the public hearing under Subdivision (2) at
11 which the ordinance annexing the area may be adopted.

12 Sec. 43.0618. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON
13 PETITION. Notwithstanding Section 43.0617, a municipality may not
14 annex an area under this subchapter without approval of a majority
15 of the voters voting at an election called and held for that purpose
16 if a petition protesting the annexation is signed by a number of
17 registered voters of the municipality equal to at least 50 percent
18 of the number of voters who voted in the most recent municipal
19 election and is received by the secretary of the municipality
20 before the date the election required by this subchapter is held.

21 SECTION 9. Section 43.071(e), Local Government Code, is
22 amended to read as follows:

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

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

26 (A) the governing body of the district consents
27 to the annexation;

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

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

5 (2) a water or sewer district that has a noncontiguous
6 part that is not within the extraterritorial jurisdiction of the
7 municipality; or

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

10 SECTION 10. Section 43.0715(c), Local Government Code, is
11 amended to read as follows:

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

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

17 SECTION 11. Section 43.072(d), Local Government Code, is
18 amended to read as follows:

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

21 (1) a municipality from annexing area outside its
22 extraterritorial jurisdiction; or

23 (2) ~~[annexation of area narrower than the minimum~~
24 ~~width prescribed by Section 43.054; or~~

25 [~~3~~] reduction of the extraterritorial jurisdiction
26 of a municipality without the written consent of the municipality's
27 governing body.

1 SECTION 12. Section 43.0751, Local Government Code, is
2 amended by amending Subsections (b), (d), (e), (f), (g), (h), (j),
3 (k), (m), and (n) and adding Subsection (e-1) to read as follows:

4 (b) The governing bodies of a municipality and a district
5 may negotiate and enter into a written strategic partnership
6 agreement for the district by mutual consent. The governing body of
7 a municipality, on written request from a district located in the
8 municipality's extraterritorial jurisdiction [~~included in the~~
9 ~~municipality's annexation plan under Section 43.052~~], may [~~shall~~]
10 negotiate and enter into a written strategic partnership agreement
11 with the district. [~~A district included in a municipality's~~
12 ~~annexation plan under Section 43.052.~~

13 [~~(1) may not submit its written request before the~~
14 ~~date of the second hearing required under Section 43.0561, and~~

15 [~~(2) must submit its written request before the 61st~~
16 ~~day after the date of the second hearing required under Section~~
17 ~~43.0561.~~]

18 (d) Before the governing body of a municipality or a
19 district adopts a strategic partnership agreement, it shall conduct
20 two public hearings at which members of the public who wish to
21 present testimony or evidence regarding the proposed agreement
22 shall be given the opportunity to do so. Notice of public hearings
23 conducted by the governing body of a municipality under this
24 subsection shall be published in a newspaper of general circulation
25 in the municipality and in the district [~~The notice must be in the~~
26 ~~format prescribed by Section 43.123(b)~~] and must be published at
27 least once on or after the 20th day before the [~~each~~] date of each

1 hearing. The notice may not be smaller than one-quarter page of a
2 standard-size or tabloid-size newspaper, and the headline on the
3 notice must be in 18-point or larger type. Notice of public
4 hearings conducted by the governing body of a district under this
5 subsection shall be given in accordance with the district's
6 notification procedures for other matters of public importance.
7 Any notice of a public hearing conducted under this subsection
8 shall contain a statement of the purpose of the hearing, the date,
9 time, and place of the hearing, and the location where copies of the
10 proposed agreement may be obtained prior to the hearing. The
11 governing bodies of a municipality and a district may conduct joint
12 public hearings under this subsection, provided that at least one
13 public hearing is conducted within the district.

14 (e) [~~The governing body of a municipality may not annex a~~
15 ~~district for limited purposes under this section or under the~~
16 ~~provisions of Subchapter F until it has adopted a strategic~~
17 ~~partnership agreement with the district.] The governing body of a
18 municipality may not adopt a strategic partnership agreement before
19 the agreement has been adopted by the governing body of the affected
20 district.~~

21 (e-1) Beginning September 1, 2015, a strategic partnership
22 agreement may not provide for limited purpose annexation.

23 (f) A strategic partnership agreement may provide for the
24 following:

25 (1) [~~limited-purpose annexation of the district on~~
26 ~~terms acceptable to the municipality and the district provided that~~
27 ~~the district shall continue in existence during the period of~~

1 ~~limited-purpose annexation,~~

2 ~~[(2) limited-purpose annexation of a district located~~
3 ~~in a county with a population of more than 3.3 million:~~

4 ~~[(A) only if the municipality does not require~~
5 ~~services, permits, or inspections or impose fees for services,~~
6 ~~permits, or inspections within the district; and~~

7 ~~[(B) provided that this subsection does not~~
8 ~~prevent the municipality from providing services within the~~
9 ~~district if:~~

10 ~~[(i) the provision of services is specified~~
11 ~~and agreed to in the agreement,~~

12 ~~[(ii) the provision of services is not~~
13 ~~solely the result of a regulatory plan adopted by the municipality~~
14 ~~in connection with the limited-purpose annexation of the district,~~
15 ~~and~~

16 ~~[(iii) the district has obtained the~~
17 ~~authorization of the governmental entity currently providing the~~
18 ~~service,~~

19 ~~[(3)]~~ payments by the municipality to the district for
20 services provided by the district;

21 (2) ~~[(4)]~~ annexation of any commercial property in a
22 district ~~[for full purposes]~~ by the municipality, notwithstanding
23 any other provision of this code or the Water Code, except for the
24 obligation of the municipality to provide, directly or through
25 agreement with other units of government, full provision of
26 municipal services to annexed territory, in lieu of any annexation
27 of residential property or payment of any fee on residential

1 property in lieu of annexation of residential property in the
2 district authorized by this subsection;

3 (3) an [~~(5)~~ ~~a full-purpose~~] annexation provision on
4 terms acceptable to the municipality and the district;

5 (4) [~~(6)~~] conversion of the district to a limited
6 district including some or all of the land included within the
7 boundaries of the district, which conversion shall be effective on
8 the [~~full-purpose~~] annexation conversion date established under
9 Subdivision (3) [~~(5)~~];

10 (5) [~~(7)~~] agreements existing between districts and
11 governmental bodies and private providers of municipal services in
12 existence on the date a municipality evidences its intention by
13 adopting a resolution to negotiate for a strategic partnership
14 agreement with the district shall be continued and provision made
15 for modifications to such existing agreements; and

16 (6) [~~(8)~~] such other lawful terms that the parties
17 consider appropriate.

18 (g) A strategic partnership agreement that provides for the
19 creation of a limited district under Subsection (f)(4) [~~(f)(6)~~]
20 shall include provisions setting forth the following:

21 (1) the boundaries of the limited district;

22 (2) the functions of the limited district and the term
23 during which the limited district shall exist after [~~full-purpose~~]
24 annexation, which term may be renewed successively by the governing
25 body of the municipality, provided that no such original or renewed
26 term shall exceed 10 years;

27 (3) the name by which the limited district shall be

1 known; and

2 (4) the procedure by which the limited district may be
3 dissolved prior to the expiration of any term established under
4 Subdivision (2).

5 (h) On the [~~full-purpose~~] annexation conversion date set
6 forth in the strategic partnership agreement pursuant to Subsection
7 (f)(3) [~~(f)(5)(A)~~], the land included within the boundaries of the
8 district shall be deemed to be within the [~~full-purpose~~] boundary
9 limits of the municipality without the need for further action by
10 the governing body of the municipality. The [~~full-purpose~~]
11 annexation conversion date established by a strategic partnership
12 agreement may be altered only by mutual agreement of the district
13 and the municipality. However, nothing herein shall prevent the
14 municipality from terminating the agreement and instituting
15 proceedings to annex the district, on request by the governing body
16 of the district, on any date prior to the [~~full-purpose~~] annexation
17 conversion date established by the strategic partnership
18 agreement. [~~Land annexed for limited or full purposes under this
19 section shall not be included in calculations prescribed by Section
20 43.055(a).~~]

21 (j) Except as limited by this section or the terms of a
22 strategic partnership agreement, a district that has been annexed
23 for limited purposes by a municipality before September 1, 2015,
24 and a limited district shall have and may exercise all functions,
25 powers, and authority otherwise vested in a district.

26 (k) A municipality that has annexed all or part of a
27 district for limited purposes under this section before September

1 1, 2015, may impose a sales and use tax within the boundaries of the
2 part of the district that is annexed for limited purposes. Except
3 to the extent it is inconsistent with this section, Chapter 321, Tax
4 Code, governs the imposition, computation, administration,
5 governance, and abolition of the sales and use tax.

6 (m) A municipality that has annexed [~~may annex~~] a district
7 for limited purposes to implement a strategic partnership agreement
8 under this section before September 1, 2015, shall not annex for
9 full purposes any territory within a district created pursuant to a
10 consent agreement with that municipality executed before August 27,
11 1979. The prohibition on annexation established by this subsection
12 shall expire on September 1, 1997, or on the date on or before which
13 the municipality and any district may have separately agreed that
14 annexation would not take place whichever is later.

15 (n) This subsection applies only to a municipality any
16 portion of which is located in a county that has a population of not
17 less than 285,000 and not more than 300,000 and that borders the
18 Gulf of Mexico and is adjacent to a county with a population of more
19 than 3.3 million. A municipality may impose within the boundaries
20 of a district a municipal sales and use tax authorized by Chapter
21 321, Tax Code, or a municipal hotel occupancy tax authorized by
22 Chapter 351, Tax Code, that is imposed in the municipality if:

23 (1) the municipality has annexed the district for
24 limited purposes under this section before September 1, 2015; or

25 (2) following two public hearings on the matter, the
26 municipality and the district enter a written agreement providing
27 for the imposition of the tax or taxes.

1 SECTION 13. Subchapter D, Chapter 43, Local Government
2 Code, is amended by adding Section 43.07512 to read as follows:

3 Sec. 43.07512. LIMITED PURPOSE ANNEXATION OF ANY SPECIAL
4 DISTRICT PROHIBITED UNDER STRATEGIC PARTNERSHIP AGREEMENT. (a) In
5 this section, "special district" means a political subdivision of
6 this state with a limited geographic area created by local law or
7 under general law for a special purpose.

8 (b) Notwithstanding any other general or local law, a
9 strategic partnership agreement entered into on or after September
10 1, 2015, may not provide for the limited purpose annexation of all
11 or part of a special district.

12 SECTION 14. Section 43.07515(a), Local Government Code, is
13 amended to read as follows:

14 (a) A municipality may not regulate under Section 43.0751
15 [~~or 43.0752~~] the sale, use, storage, or transportation of fireworks
16 outside of the municipality's boundaries.

17 SECTION 15. Section 43.102(d), Local Government Code, is
18 amended to read as follows:

19 (d) The municipality may annex the area even if the area is
20 outside the municipality's extraterritorial jurisdiction or [~~7~~] is
21 in another municipality's extraterritorial jurisdiction [~~7 or is~~
22 ~~narrower than the minimum width prescribed by Section 43.054.~~
23 ~~Section 43.055, which relates to the amount of area a municipality~~
24 ~~may annex in a calendar year, does not apply to the annexation].~~

25 SECTION 16. Section 43.1025(c), Local Government Code, is
26 amended to read as follows:

27 (c) Annexation of the [~~The~~] area described by Subsection (b)

1 ~~[may be annexed without the consent of the owners or residents of~~
2 ~~the area, but the annexation]~~ may not occur unless each
3 municipality in whose extraterritorial jurisdiction the area may be
4 located:

5 (1) consents to the annexation; and

6 (2) reduces its extraterritorial jurisdiction over
7 the area as provided by Section 42.023.

8 SECTION 17. Subchapter F, Chapter 43, Local Government
9 Code, is amended by adding Section 43.1211 to read as follows:

10 Sec. 43.1211. APPLICABILITY. This subchapter applies to an
11 area that was annexed for a limited purpose as authorized before
12 September 1, 2015.

13 SECTION 18. Section 43.127(a), Local Government Code, is
14 amended to read as follows:

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

25 SECTION 19. Section 43.141(a) and (b), Local Government
26 Code, are amended to read as follows:

27 (a) A majority of the qualified voters of an annexed area

1 may petition the governing body of the municipality to disannex the
2 area if the municipality fails or refuses to provide services or to
3 cause services to be provided to the area [~~within the period~~
4 ~~specified by Section 43.056 or by the service plan prepared for the~~
5 ~~area under that section~~].

6 (b) If the governing body fails or refuses to disannex the
7 area within 60 days after the date of the receipt of the petition,
8 any one or more of the signers of the petition may bring a cause of
9 action in a district court of the county in which the area is
10 principally located to request that the area be disannexed. On the
11 filing of an answer by the governing body, and on application of
12 either party, the case shall be advanced and heard without further
13 delay in accordance with the Texas Rules of Civil Procedure. The
14 district court shall enter an order disannexing the area if the
15 court finds that a valid petition was filed with the municipality
16 and that the municipality failed to perform [~~its obligations in~~
17 ~~accordance with the service plan or failed to perform~~] in good
18 faith.

19 SECTION 20. Section 43.201(2), Local Government Code, is
20 amended to read as follows:

21 (2) "Limited-purpose annexation" means annexation
22 authorized under former Section 43.121, as that section existed on
23 January 1, 2015.

24 SECTION 21. Section 43.203(a), Local Government Code, is
25 amended to read as follows:

26 (a) This section applies only to the [~~The~~] governing body of
27 a district that by resolution petitioned [~~may petition~~] a

1 municipality to alter the annexation status of land in the district
2 from full-purpose annexation to limited-purpose annexation and
3 before September 1, 2015:

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

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

8 SECTION 22. Section 43.905(a), Local Government Code, is
9 amended to read as follows:

10 (a) A municipality that proposes to annex an area shall
11 provide written notice of the proposed annexation to each public
12 school district located in the area proposed for annexation within
13 the period prescribed for publishing the notice of the first
14 hearing under Section 43.0213, 43.0514, [43.0561] or 43.0614
15 [43.063], as applicable.

16 SECTION 23. Section 775.0754(d), Health and Safety Code, is
17 amended to read as follows:

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

23 SECTION 24. (a) Sections 42.0411, 43.021, 43.022, 43.023,
24 43.024, 43.025, 43.028, 43.030, 43.032, 43.033, 43.034, 43.035(c),
25 43.036, 43.052, 43.053, 43.054, 43.0545, 43.0546, 43.055, 43.056,
26 43.0561, 43.0562, 43.0563, 43.0564, 43.0565, 43.0567, 43.057,
27 43.061, 43.062, 43.063, 43.064, 43.065, 43.071(d), (f), and (g),

1 43.072(c), (e), (g), (h), (i), (j), (k), (l), and (m), 43.0751(o)
2 and (r), 43.0752, 43.101(c) and (d), 43.102(c), 43.1025(e) and (g),
3 43.103, 43.105, 43.121, 43.122, 43.123, 43.124, 43.125, 43.126,
4 43.129, 43.131, 43.132, 43.147, Local Government Code, are
5 repealed.

6 (b) Subchapter Y, Chapter 43, Local Government Code, is
7 repealed.

8 (c) Sections 8374.252(a), 8375.252(a), 8376.252(a),
9 8377.252(a), 8378.252(a), 8382.252(a), 8383.252(a), 8384.252(a),
10 8385.252(a), and 8477.302(a), Special District Local Laws Code, are
11 repealed.

12 SECTION 25. The changes in law made by this Act do not apply
13 to an annexation for which the first hearing notice required by
14 former Section 43.0561 or 43.063, Local Government Code, as
15 applicable, was published before the effective date of this Act. An
16 annexation described by this section is governed by the law in
17 effect at the time the notice was published, and the former law is
18 continued in effect for that purpose.

19 SECTION 26. This Act takes effect September 1, 2015.