

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 7, 2015

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1639 by Campbell (Relating to the procedures for municipal annexations.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to prohibit municipalities from entering into strategic partnerships for limited purpose annexation and annexing an area for limited purposes. The bill prescribes the process and requirements for a municipality to conduct full purpose annexations of various areas. Depending on the area to be annexed, a municipality would be required to: collect signatures for a petition, hold public hearings, inform and publish information on public hearings, and conduct an election to approve an annexation.

The bill would repeal Sections of the Local Government Code, and Special District Local Laws Code.

The bill has no direct fiscal implications for the FSP or the operations of the TEA.

Local Government Impact

The costs to local governments would depend on which municipality engaged in the annexation proceedings and the area to be annexed by the municipality. Depending on the area of annexation, there could be costs associated with holding public hearings, collecting signatures and petitions, and conducting elections.

Texas Municipal League reported the bill would impact the ability of a municipality to expand their tax base, which would result in a significant fiscal impact on the municipality.

Source Agencies: 701 Central Education Agency

LBB Staff: UP, KVe, SD, EK, SZ, JBi