

AN ACT

relating to municipal annexation.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 43.001, Local Government Code, is amended to read as follows:

Sec. 43.001. DEFINITIONS [~~DEFINITION~~]. In this chapter:

(1) "Extraterritorial~~[, _____ "extraterritorial]~~ jurisdiction" means extraterritorial jurisdiction as determined under Chapter 42.

(2) "Tier 1 county" means a county:

(A) with a population of less than 500,000; and

(B) that is not a county that contains a freshwater fisheries center operated by the Texas Parks and Wildlife Department.

(3) "Tier 2 county" means a county that:

(A) is not a tier 1 county; or

(B) is a tier 1 county in which a majority of the registered voters of the county have approved being a tier 2 county at an election ordered by the commissioners court on the request by petition of a number of registered voters of the county equal to or greater than 10 percent of the registered voters of the county.

(4) "Tier 1 municipality" means a municipality wholly located in one or more tier 1 counties that proposes to annex an area wholly located in one or more tier 1 counties.

1 (5) "Tier 2 municipality" means a municipality:

2 (A) wholly or partly located in a tier 2 county;

3 or

4 (B) wholly located in one or more tier 1 counties

5 that proposes to annex an area wholly or partly located in a tier 2
6 county.

7 SECTION 2. Section 43.002, Local Government Code, is
8 amended by adding Subsection (e) to read as follows:

9 (e) Notwithstanding Subsection (c) and until the 20th
10 anniversary of the date of the annexation of an area that includes a
11 permanent retail structure, a municipality may not prohibit a
12 person from continuing to use the structure for the indoor seasonal
13 sale of retail goods if the structure:

14 (1) is more than 5,000 square feet; and

15 (2) was authorized under the laws of this state to be
16 used for the indoor seasonal sale of retail goods on the effective
17 date of the annexation.

18 SECTION 3. Section 43.021, Local Government Code, is
19 transferred to Subchapter A, Chapter 43, Local Government Code,
20 redesignated as Section 43.003, Local Government Code, and amended
21 to read as follows:

22 Sec. 43.003 [~~43.021~~]. AUTHORITY OF HOME-RULE MUNICIPALITY
23 TO ANNEX AREA AND TAKE OTHER ACTIONS REGARDING BOUNDARIES. A
24 home-rule municipality may take the following actions according to
25 rules as may be provided by the charter of the municipality and not
26 inconsistent with the requirements [~~procedural rules~~] prescribed
27 by this chapter:

1 (1) fix the boundaries of the municipality;

2 (2) extend the boundaries of the municipality and
3 annex area adjacent to the municipality; and

4 (3) exchange area with other municipalities.

5 SECTION 4. Chapter 43, Local Government Code, is amended by
6 adding Subchapter A-1 to read as follows:

7 SUBCHAPTER A-1. GENERAL AUTHORITY TO ANNEX

8 Sec. 43.011. APPLICABILITY. This subchapter applies to:

9 (1) a tier 1 municipality; and

10 (2) notwithstanding Subchapter C-4 or C-5, a tier 2
11 municipality.

12 Sec. 43.0115. AUTHORITY OF CERTAIN MUNICIPALITIES TO ANNEX
13 ENCLAVES. (a) This section applies only to a municipality that:

14 (1) is wholly or partly located in a county in which a
15 majority of the population of two or more municipalities, each with
16 a population of 300,000 or more, are located; and

17 (2) proposes to annex an area that:

18 (A) is wholly surrounded by a municipality and
19 within the municipality's extraterritorial jurisdiction; and

20 (B) has fewer than 100 dwelling units.

21 (b) Notwithstanding any other law, the governing body of a
22 municipality by ordinance may annex an area without the consent of
23 any of the residents of, voters of, or owners of land in the area
24 under the procedures prescribed by Subchapter C-1.

25 Sec. 43.0116. AUTHORITY OF MUNICIPALITY TO ANNEX INDUSTRIAL
26 DISTRICTS. (a) Notwithstanding any other law and subject to
27 Subsection (b), a municipality may annex all or part of the area

1 located in an industrial district designated by the governing body
2 of the municipality under Section 42.044 under the requirements
3 applicable to a tier 1 municipality.

4 (b) A municipality that proposes to annex an area located in
5 an industrial district subject to a contract described by Section
6 42.044(c) may initiate the annexation only:

7 (1) on or after the date the contract expires,
8 including any period renewing or extending the contract; or

9 (2) as provided by the contract.

10 Sec. 43.0117. AUTHORITY OF MUNICIPALITY TO ANNEX AREA NEAR
11 MILITARY BASE. (a) In this section, "military base" means a
12 presently functioning federally owned or operated military
13 installation or facility.

14 (b) A municipality may annex for full or limited purposes,
15 under the annexation provisions applicable to that municipality
16 under this chapter, any part of the area located within five miles
17 of the boundary of a military base in which an active training
18 program is conducted. The annexation proposition shall be stated
19 to allow the voters of the area to be annexed to choose between
20 either annexation or providing the municipality with the authority
21 to adopt and enforce an ordinance regulating the land use in the
22 area in the manner recommended by the most recent joint land use
23 study.

24 SECTION 5. Section 43.026, Local Government Code, is
25 transferred to Subchapter A-1, Chapter 43, Local Government Code,
26 as added by this Act, redesignated as Section 43.012, Local
27 Government Code, and amended to read as follows:

1 Sec. 43.012 [~~43.026~~]. AUTHORITY OF TYPE A GENERAL-LAW
2 MUNICIPALITY TO ANNEX AREA IT OWNS. The governing body of a Type A
3 general-law municipality by ordinance may annex area that the
4 municipality owns under the procedures prescribed by Subchapter
5 C-1. The ordinance must describe the area by metes and bounds and
6 must be entered in the minutes of the governing body.

7 SECTION 6. Section 43.027, Local Government Code, is
8 transferred to Subchapter A-1, Chapter 43, Local Government Code,
9 as added by this Act, redesignated as Section 43.013, Local
10 Government Code, and amended to read as follows:

11 Sec. 43.013 [~~43.027~~]. AUTHORITY OF [~~GENERAL-LAW~~]
12 MUNICIPALITY TO ANNEX NAVIGABLE STREAM. The governing body of a
13 [~~general-law~~] municipality by ordinance may annex any navigable
14 stream adjacent to the municipality and within the municipality's
15 extraterritorial jurisdiction under the procedures prescribed by
16 Subchapter C-1.

17 SECTION 7. Section 43.051, Local Government Code, is
18 transferred to Subchapter A-1, Chapter 43, Local Government Code,
19 as added by this Act, and redesignated as Section 43.014, Local
20 Government Code, to read as follows:

21 Sec. 43.014 [~~43.051~~]. AUTHORITY TO ANNEX LIMITED TO
22 EXTRATERRITORIAL JURISDICTION. A municipality may annex area only
23 in its extraterritorial jurisdiction unless the municipality owns
24 the area.

25 SECTION 8. Section 43.031, Local Government Code, is
26 transferred to Subchapter A-1, Chapter 43, Local Government Code,
27 as added by this Act, and redesignated as Section 43.015, Local

1 Government Code, to read as follows:

2 Sec. 43.015 [~~43.031~~]. AUTHORITY OF ADJACENT MUNICIPALITIES
3 TO CHANGE BOUNDARIES BY AGREEMENT. Adjacent municipalities may
4 make mutually agreeable changes in their boundaries of areas that
5 are less than 1,000 feet in width.

6 SECTION 9. Section 43.035, Local Government Code, is
7 transferred to Subchapter A-1, Chapter 43, Local Government Code,
8 as added by this Act, redesignated as Section 43.016, Local
9 Government Code, and amended to read as follows:

10 Sec. 43.016 [~~43.035~~]. AUTHORITY OF MUNICIPALITY TO ANNEX
11 AREA QUALIFIED FOR AGRICULTURAL OR WILDLIFE MANAGEMENT USE OR AS
12 TIMBER LAND. (a) This section applies only to an area:

13 (1) eligible to be the subject of a development
14 agreement under Subchapter G, Chapter 212; and

15 (2) appraised for ad valorem tax purposes as land for
16 agricultural or wildlife management use under Subchapter C or D,
17 Chapter 23, Tax Code, or as timber land under Subchapter E of that
18 chapter.

19 (b) A municipality may not annex an area to which this
20 section applies unless:

21 (1) the municipality offers to make a development
22 agreement with the landowner under Section 212.172 that would:

23 (A) guarantee the continuation of the
24 extraterritorial status of the area; and

25 (B) authorize the enforcement of all regulations
26 and planning authority of the municipality that do not interfere
27 with the use of the area for agriculture, wildlife management, or

1 timber; and

2 (2) the landowner declines to make the agreement
3 described by Subdivision (1).

4 (c) For purposes of Section 43.003(2) [~~43.021(2)~~] or
5 another law, including a municipal charter or ordinance, relating
6 to municipal authority to annex an area adjacent to the
7 municipality, an area adjacent or contiguous to an area that is the
8 subject of a development agreement described by Subsection (b)(1)
9 is considered adjacent or contiguous to the municipality.

10 (d) A provision of a development agreement described by
11 Subsection (b)(1) that restricts or otherwise limits the annexation
12 of all or part of the area that is the subject of the agreement is
13 void if the landowner files any type of subdivision plat or related
14 development document for the area with a governmental entity that
15 has jurisdiction over the area, regardless of how the area is
16 appraised for ad valorem tax purposes.

17 (e) A development agreement described by Subsection (b)(1)
18 is not a permit for purposes of Chapter 245.

19 SECTION 10. Section 43.037, Local Government Code, is
20 transferred to Subchapter A-1, Chapter 43, Local Government Code,
21 as added by this Act, and redesignated as Section 43.017, Local
22 Government Code, to read as follows:

23 Sec. 43.017 [~~43.037~~]. PROHIBITION AGAINST ANNEXATION TO
24 SURROUND MUNICIPALITY IN CERTAIN COUNTIES. A municipality with a
25 population of more than 175,000 located in a county that contains an
26 international border and borders the Gulf of Mexico may not annex an
27 area that would cause another municipality to be entirely

1 surrounded by the corporate limits or extraterritorial
2 jurisdiction of the annexing municipality.

3 SECTION 11. The heading to Subchapter B, Chapter 43, Local
4 Government Code, is amended to read as follows:

5 SUBCHAPTER B. GENERAL AUTHORITY TO ANNEX: TIER 1 MUNICIPALITIES

6 SECTION 12. Subchapter B, Chapter 43, Local Government
7 Code, is amended by adding Section 43.0205 to read as follows:

8 Sec. 43.0205. APPLICABILITY. This subchapter applies only
9 to a tier 1 municipality.

10 SECTION 13. The heading to Subchapter C, Chapter 43, Local
11 Government Code, is amended to read as follows:

12 SUBCHAPTER C. ANNEXATION PROCEDURE FOR AREAS ANNEXED UNDER
13 MUNICIPAL ANNEXATION PLAN: TIER 1 MUNICIPALITIES

14 SECTION 14. Subchapter C, Chapter 43, Local Government
15 Code, is amended by adding Section 43.0505 to read as follows:

16 Sec. 43.0505. APPLICABILITY. (a) Except as provided by
17 Subsection (b), this subchapter applies only to a tier 1
18 municipality.

19 (b) Unless otherwise specifically provided by this chapter,
20 this subchapter does not apply to a tier 2 municipality.

21 SECTION 15. Section 43.052(h), Local Government Code, is
22 amended to read as follows:

23 (h) This section does not apply to an area proposed for
24 annexation if:

25 (1) the area contains fewer than 100 separate tracts
26 of land on which one or more residential dwellings are located on
27 each tract;

1 (2) the area will be annexed by petition of more than
2 50 percent of the real property owners in the area proposed for
3 annexation or by vote or petition of the qualified voters or real
4 property owners as provided by Subchapter B;

5 (3) the area is or was the subject of:

6 (A) an industrial district contract under
7 Section 42.044; or

8 (B) a strategic partnership agreement under
9 Section 43.0751;

10 (4) the area is located in a colonia, as that term is
11 defined by Section 2306.581, Government Code;

12 (5) the area is annexed under Section 43.012, 43.013,
13 43.015 [~~43.026, 43.027~~], or 43.029 [~~, or 43.031~~];

14 (6) the area is located completely within the
15 boundaries of a closed military installation; or

16 (7) the municipality determines that the annexation of
17 the area is necessary to protect the area proposed for annexation or
18 the municipality from:

19 (A) imminent destruction of property or injury to
20 persons; or

21 (B) a condition or use that constitutes a public
22 or private nuisance as defined by background principles of nuisance
23 and property law of this state.

24 SECTION 16. Section 43.054(a), Local Government Code, is
25 amended to read as follows:

26 (a) A municipality [~~with a population of less than 1.6~~
27 ~~million~~] may not annex a publicly or privately owned area,

1 including a strip of area following the course of a road, highway,
2 river, stream, or creek, unless the width of the area at its
3 narrowest point is at least 1,000 feet.

4 SECTION 17. Sections 43.056(1) and (n), Local Government
5 Code, are amended to read as follows:

6 (1) A service plan is valid for 10 years. Renewal of the
7 service plan is at the discretion of the municipality. [~~A person
8 residing or owning land in an annexed area in a municipality with a
9 population of 1.6 million or more may enforce a service plan by
10 petitioning the municipality for a change in policy or procedures
11 to ensure compliance with the service plan. If the municipality
12 fails to take action with regard to the petition, the petitioner may
13 request arbitration of the dispute under Section 43.0565.~~] A
14 person residing or owning land in an annexed area [~~in a municipality
15 with a population of less than 1.6 million~~] may enforce a service
16 plan by applying for a writ of mandamus not later than the second
17 anniversary of the date the person knew or should have known that
18 the municipality was not complying with the service plan. If a writ
19 of mandamus is applied for, the municipality has the burden of
20 proving that the services have been provided in accordance with the
21 service plan in question. If a court issues a writ under this
22 subsection, the court:

23 (1) must provide the municipality the option of
24 disannexing the area within a reasonable period specified by the
25 court;

26 (2) may require the municipality to comply with the
27 service plan in question before a reasonable date specified by the

1 court if the municipality does not disannex the area within the
2 period prescribed by the court under Subdivision (1);

3 (3) may require the municipality to refund to the
4 landowners of the annexed area money collected by the municipality
5 from those landowners for services to the area that were not
6 provided;

7 (4) may assess a civil penalty against the
8 municipality, to be paid to the state in an amount as justice may
9 require, for the period in which the municipality is not in
10 compliance with the service plan;

11 (5) may require the parties to participate in
12 mediation; and

13 (6) may require the municipality to pay the person's
14 costs and reasonable attorney's fees in bringing the action for the
15 writ.

16 (n) Before the second anniversary of the date an area is
17 included within the corporate boundaries of a municipality by
18 annexation, the municipality may not:

19 (1) prohibit the collection of solid waste in the area
20 by a privately owned solid waste management service provider; or

21 (2) offer [~~impose a fee for~~] solid waste management
22 services in the area unless a privately owned solid waste
23 management service provider is unavailable [~~on a person who~~
24 ~~continues to use the services of a privately owned solid waste~~
25 ~~management service provider~~].

26 SECTION 18. Section 43.0562(a), Local Government Code, is
27 amended to read as follows:

1 (a) After holding the hearings as provided by Section
2 43.0561:

3 (1) [~~if a municipality has a population of less than~~
4 ~~1.6 million,~~] the municipality and the property owners of the area
5 proposed for annexation shall negotiate for the provision of
6 services to the area after annexation or for the provision of
7 services to the area in lieu of annexation under Section 43.0563; or

8 (2) if a municipality proposes to annex a special
9 district, as that term is defined by Section 43.052, the
10 municipality and the governing body of the district shall negotiate
11 for the provision of services to the area after annexation or for
12 the provision of services to the area in lieu of annexation under
13 Section 43.0751.

14 SECTION 19. Section 43.0563(a), Local Government Code, is
15 amended to read as follows:

16 (a) The governing body of a municipality [~~with a population~~
17 ~~of less than 1.6 million]~~ may negotiate and enter into a written
18 agreement for the provision of services and the funding of the
19 services in an area with:

20 (1) representatives designated under Section
21 43.0562(b), if the area is included in the municipality's
22 annexation plan; or

23 (2) an owner of an area within the extraterritorial
24 jurisdiction of the municipality if the area is not included in the
25 municipality's annexation plan.

26 SECTION 20. The heading to Subchapter C-1, Chapter 43,
27 Local Government Code, is amended to read as follows:

1 SUBCHAPTER C-1. ANNEXATION PROCEDURE FOR AREAS EXEMPTED FROM
2 MUNICIPAL ANNEXATION PLAN: TIER 1 MUNICIPALITIES

3 SECTION 21. Section 43.061, Local Government Code, is
4 amended to read as follows:

5 Sec. 43.061. APPLICABILITY. (a) Except as provided by
6 Subsection (b), this [~~This~~] subchapter applies only to an area that
7 is proposed for annexation by a tier 1 municipality and that is not
8 required to be included in a municipal annexation plan under
9 Section 43.052(h) [~~43.052~~].

10 (b) Unless otherwise specifically provided by this chapter,
11 this subchapter does not apply to an area that is proposed for
12 annexation by a tier 2 municipality.

13 SECTION 22. Section 43.062(a), Local Government Code, is
14 amended to read as follows:

15 (a) Sections [~~43.051~~] 43.054, 43.0545, 43.055, [~~43.0565,~~
16 ~~43.0567,~~] and 43.057 apply to the annexation of an area to which
17 this subchapter applies.

18 SECTION 23. Section 43.064, Local Government Code, is
19 amended to read as follows:

20 Sec. 43.064. PERIOD FOR COMPLETION OF ANNEXATION[~~+~~
21 ~~EFFECTIVE DATE~~]. [~~(a)~~] The annexation of an area must be
22 completed within 90 days after the date the governing body
23 institutes the annexation proceedings or those proceedings are
24 void. Any period during which the municipality is restrained or
25 enjoined by a court from annexing the area is not included in
26 computing the 90-day period.

27 [~~(b) Notwithstanding any provision of a municipal charter~~

1 ~~to the contrary, the governing body of a municipality with a~~
2 ~~population of 1.6 million or more may provide that an annexation~~
3 ~~take effect on any date within 90 days after the date of the~~
4 ~~adoption of the ordinance providing for the annexation.]~~

5 SECTION 24. Chapter 43, Local Government Code, is amended
6 by adding Subchapter C-2 to read as follows:

7 SUBCHAPTER C-2. GENERAL ANNEXATION AUTHORITY AND PROCEDURES: TIER
8 2 MUNICIPALITIES

9 Sec. 43.066. APPLICABILITY. This subchapter applies only
10 to a tier 2 municipality.

11 Sec. 43.0661. PROVISION OF CERTAIN SERVICES TO ANNEXED
12 AREA. (a) This section applies only to a municipality that
13 includes solid waste collection services in the list of services
14 that will be provided in the area proposed for annexation on or
15 before the second anniversary of the effective date of the
16 annexation of the area under a written agreement under Section
17 43.0672 or a resolution under Section 43.0682 or 43.0692.

18 (b) A municipality is not required to provide solid waste
19 collection services to a person who continues to use the services of
20 a privately owned solid waste management service provider as
21 provided by Subsection (c).

22 (c) Before the second anniversary of the effective date of
23 the annexation of an area, a municipality may not:

24 (1) prohibit the collection of solid waste in the area
25 by a privately owned solid waste management service provider; or

26 (2) offer solid waste management services in the area
27 unless a privately owned solid waste management service provider is

1 unavailable.

2 Sec. 43.0663. EFFECT ON OTHER LAW. Subchapters C-3 through
3 C-5 do not affect the procedures described by Section 397.005 or
4 397.006 applicable to a defense community as defined by Section
5 397.001.

6 SECTION 25. Section 43.030, Local Government Code, is
7 transferred to Subchapter C-2, Chapter 43, Local Government Code,
8 as added by this Act, redesignated as Section 43.0662, Local
9 Government Code, and amended to read as follows:

10 Sec. 43.0662 [~~43.030~~]. AUTHORITY OF MUNICIPALITY WITH
11 POPULATION OF 74,000 TO 99,700 IN URBAN COUNTY TO ANNEX SMALL,
12 SURROUNDED GENERAL-LAW MUNICIPALITY. (a) Notwithstanding
13 Subchapter C-4 or C-5, a [A] municipality that has a population of
14 74,000 to 99,700, that is located wholly or partly in a county with
15 a population of more than 1.8 million, and that completely
16 surrounds and is contiguous to a general-law municipality with a
17 population of less than 600, may annex the general-law municipality
18 as provided by this section.

19 (b) The governing body of the smaller municipality may adopt
20 an ordinance ordering an election on the question of consenting to
21 the annexation of the smaller municipality by the larger
22 municipality. The governing body of the smaller municipality shall
23 adopt the ordinance if it receives a petition to do so signed by a
24 number of qualified voters of the municipality equal to at least 10
25 percent of the number of voters of the municipality who voted in the
26 most recent general election. If the ordinance ordering the
27 election is to be adopted as a result of a petition, the ordinance

1 shall be adopted within 30 days after the date the petition is
2 received.

3 (c) The ordinance ordering the election must provide for the
4 submission of the question at an election to be held on the first
5 uniform election date prescribed by Chapter 41, Election Code, that
6 occurs after the 30th day after the date the ordinance is adopted
7 and that affords enough time to hold the election in the manner
8 required by law.

9 (d) Within 10 days after the date on which the election is
10 held, the governing body of the smaller municipality shall canvass
11 the election returns and by resolution shall declare the results of
12 the election. If a majority of the votes received is in favor of the
13 annexation, the secretary of the smaller municipality or other
14 appropriate municipal official shall forward by certified mail to
15 the secretary of the larger municipality a certified copy of the
16 resolution.

17 (e) The larger municipality, within 90 days after the date
18 the resolution is received, must complete the annexation by
19 ordinance in accordance with its municipal charter or the general
20 laws of the state. If the annexation is not completed within the
21 90-day period, any annexation proceeding is void and the larger
22 municipality may not annex the smaller municipality under this
23 section. However, the failure to complete the annexation as
24 provided by this subsection does not prevent the smaller
25 municipality from holding a new election on the question to enable
26 the larger municipality to annex the smaller municipality as
27 provided by this section.

1 (f) If the larger municipality completes the annexation
2 within the prescribed period, the incorporation of the smaller
3 municipality is abolished. The records, public property, public
4 buildings, money on hand, credit accounts, and other assets of the
5 smaller municipality become the property of the larger municipality
6 and shall be turned over to the officers of that municipality. The
7 offices in the smaller municipality are abolished and the persons
8 holding those offices are not entitled to further remuneration or
9 compensation. All outstanding liabilities of the smaller
10 municipality are assumed by the larger municipality.

11 (g) In the annexation ordinance, the larger municipality
12 shall adopt, for application in the area zoned by the smaller
13 municipality, the identical comprehensive zoning ordinance that
14 the smaller municipality applied to the area at the time of the
15 election. Any attempted annexation of the smaller municipality
16 that does not include the adoption of that comprehensive zoning
17 ordinance is void. That comprehensive zoning ordinance may not be
18 repealed or amended for a period of 10 years unless the written
19 consent of the landowners who own at least two-thirds of the surface
20 land of the annexed smaller municipality is obtained.

21 (h) If the annexed smaller municipality has on hand any bond
22 funds for public improvements that are not appropriated or
23 contracted for, the funds shall be kept in a separate special fund
24 to be used only for public improvements in the area for which the
25 bonds were voted.

26 (i) On the annexation, all claims, fines, debts, or taxes
27 due and payable to the smaller municipality become due and payable

1 to the larger municipality and shall be collected by it. If taxes
2 for the year in which the annexation occurs have been assessed in
3 the smaller municipality before the annexation, the amounts
4 assessed remain as the amounts due and payable from the inhabitants
5 of the smaller municipality for that year.

6 (j) This section does not affect a charter provision of a
7 home-rule municipality. This section grants additional power to
8 the municipality and is cumulative of the municipal charter.

9 SECTION 26. Chapter 43, Local Government Code, is amended
10 by adding Subchapters C-3, C-4, and C-5 to read as follows:

11 SUBCHAPTER C-3. ANNEXATION OF AREA ON REQUEST OF OWNERS: TIER 2
12 MUNICIPALITIES

13 Sec. 43.067. APPLICABILITY. This subchapter applies only
14 to a tier 2 municipality.

15 Sec. 43.0671. AUTHORITY TO ANNEX AREA ON REQUEST OF OWNERS.
16 Notwithstanding Subchapter C-4 or C-5, a municipality may annex an
17 area if each owner of land in the area requests the annexation.

18 Sec. 43.0672. WRITTEN AGREEMENT REGARDING SERVICES.

19 (a) The governing body of the municipality that elects to annex an
20 area under this subchapter must first negotiate and enter into a
21 written agreement with the owners of land in the area for the
22 provision of services in the area.

23 (b) The agreement must include:

24 (1) a list of each service the municipality will
25 provide on the effective date of the annexation; and

26 (2) a schedule that includes the period within which
27 the municipality will provide each service that is not provided on

1 the effective date of the annexation.

2 (c) The municipality is not required to provide a service
3 that is not included in the agreement.

4 Sec. 43.0673. PUBLIC HEARINGS. (a) Before a municipality
5 may adopt an ordinance annexing an area under this section, the
6 governing body of the municipality must conduct at least two public
7 hearings.

8 (b) The hearings must be conducted not less than 10 business
9 days apart.

10 (c) During the first public hearing, the governing body must
11 provide persons interested in the annexation the opportunity to be
12 heard. During the final public hearing, the governing body may
13 adopt an ordinance annexing the area.

14 (d) The municipality must post notice of the hearings on the
15 municipality's Internet website if the municipality has an Internet
16 website and publish notice of the hearings in a newspaper of general
17 circulation in the municipality and in the area proposed for
18 annexation. The notice for each hearing must be published at least
19 once on or after the 20th day but before the 10th day before the date
20 of the hearing. The notice for each hearing must be posted on the
21 municipality's Internet website on or after the 20th day but before
22 the 10th day before the date of the hearing and must remain posted
23 until the date of the hearing.

24 SUBCHAPTER C-4. ANNEXATION OF AREAS WITH POPULATION OF LESS THAN

25 200: TIER 2 MUNICIPALITIES

26 Sec. 43.068. APPLICABILITY. This subchapter applies only
27 to a tier 2 municipality.

1 Sec. 43.0681. AUTHORITY TO ANNEX. A municipality may annex
2 an area with a population of less than 200 only if the following
3 conditions are met, as applicable:

4 (1) the municipality obtains consent to annex the area
5 through a petition signed by more than 50 percent of the registered
6 voters of the area; and

7 (2) if the registered voters of the area do not own
8 more than 50 percent of the land in the area, the petition described
9 by Subdivision (1) is signed by more than 50 percent of the owners
10 of land in the area.

11 Sec. 43.0682. RESOLUTION. The governing body of the
12 municipality that proposes to annex an area under this subchapter
13 must adopt a resolution that includes:

14 (1) a statement of the municipality's intent to annex
15 the area;

16 (2) a detailed description and map of the area;

17 (3) a description of each service to be provided by the
18 municipality in the area on or after the effective date of the
19 annexation, including, as applicable:

20 (A) police protection;

21 (B) fire protection;

22 (C) emergency medical services;

23 (D) solid waste collection;

24 (E) operation and maintenance of water and
25 wastewater facilities in the annexed area;

26 (F) operation and maintenance of roads and
27 streets, including road and street lighting;

1 (G) operation and maintenance of parks,
2 playgrounds, and swimming pools; and

3 (H) operation and maintenance of any other
4 publicly owned facility, building, or service;

5 (4) a list of each service the municipality will
6 provide on the effective date of the annexation; and

7 (5) a schedule that includes the period within which
8 the municipality will provide each service that is not provided on
9 the effective date of the annexation.

10 Sec. 43.0683. NOTICE OF PROPOSED ANNEXATION. Not later
11 than the seventh day after the date the governing body of the
12 municipality adopts the resolution under Section 43.0682, the
13 municipality must mail to each resident and property owner in the
14 area proposed to be annexed notification of the proposed annexation
15 that includes:

16 (1) notice of the public hearing required by Section
17 43.0684;

18 (2) an explanation of the 180-day petition period
19 described by Section 43.0685; and

20 (3) a description, list, and schedule of services to
21 be provided by the municipality in the area on or after annexation
22 as provided by Section 43.0682.

23 Sec. 43.0684. PUBLIC HEARING. The governing body of a
24 municipality must conduct at least one public hearing not earlier
25 than the 21st day and not later than the 30th day after the date the
26 governing body adopts the resolution under Section 43.0682.

27 Sec. 43.0685. PETITION. (a) Except as provided by

1 Subsection (a-1), the petition required by Section 43.0681 may be
2 signed only by a registered voter of the area proposed to be
3 annexed.

4 (a-1) If the registered voters of the area proposed to be
5 annexed do not own more than 50 percent of the land in the area, the
6 petition required by Section 43.0681 may also be signed by the
7 owners of land in the area that are not registered voters.
8 Notwithstanding Subsection (e), the municipality may provide for an
9 owner of land in the area that is not a resident of the area to sign
10 the petition electronically.

11 (a-2) The petition must clearly indicate that the person is
12 signing as a registered voter of the area, an owner of land in the
13 area, or both.

14 (b) The municipality may collect signatures on the petition
15 only during the period beginning on the 31st day after the date the
16 governing body of the municipality adopts the resolution under
17 Section 43.0682 and ending on the 180th day after the date the
18 resolution is adopted.

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

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

23 (e) Signatures collected on the petition must be in writing.

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

26 Sec. 43.0686. RESULTS OF PETITION. (a) When the petition
27 period prescribed by Section 43.0685 ends, the petition shall be

1 verified by the municipal secretary or other person responsible for
2 verifying signatures. The municipality must notify the residents
3 and property owners of the area proposed to be annexed of the
4 results of the petition.

5 (b) If the municipality does not obtain the number of
6 signatures on the petition required to annex the area, the
7 municipality may not annex the area and may not adopt another
8 resolution under Section 43.0682 to annex the area until the first
9 anniversary of the date the petition period ended.

10 (c) If the municipality obtains the number of signatures on
11 the petition required to annex the area, the municipality may annex
12 the area after:

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

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

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

19 Sec. 43.0687. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON
20 PETITION. If a petition protesting the annexation of an area under
21 this subchapter is signed by a number of registered voters of the
22 municipality proposing the annexation equal to at least 50 percent
23 of the number of voters who voted in the most recent municipal
24 election and is received by the secretary of the municipality
25 before the date the petition period prescribed by Section 43.0685
26 ends, the municipality may not complete the annexation of the area
27 without approval of a majority of the voters of the municipality

1 voting at an election called and held for that purpose.

2 Sec. 43.0688. RETALIATION FOR ANNEXATION DISAPPROVAL
3 PROHIBITED. (a) The disapproval of the proposed annexation of an
4 area under this subchapter does not affect any existing legal
5 obligation of the municipality proposing the annexation to continue
6 to provide governmental services in the area, including water or
7 wastewater services.

8 (b) The municipality may not initiate a rate proceeding
9 solely because of the disapproval of a proposed annexation of an
10 area under this subchapter.

11 SUBCHAPTER C-5. ANNEXATION OF AREAS WITH POPULATION OF AT LEAST
12 200: TIER 2 MUNICIPALITIES

13 Sec. 43.069. APPLICABILITY. This subchapter applies only
14 to a tier 2 municipality.

15 Sec. 43.0691. AUTHORITY TO ANNEX. A municipality may annex
16 an area with a population of 200 or more only if the following
17 conditions are met, as applicable:

18 (1) the municipality holds an election in the area
19 proposed to be annexed at which the qualified voters of the area may
20 vote on the question of the annexation and a majority of the votes
21 received at the election approve the annexation; and

22 (2) if the registered voters of the area do not own
23 more than 50 percent of the land in the area, the municipality
24 obtains consent to annex the area through a petition signed by more
25 than 50 percent of the owners of land in the area.

26 Sec. 43.0692. RESOLUTION. The governing body of the
27 municipality that proposes to annex an area under this subchapter

1 must adopt a resolution that includes:

2 (1) a statement of the municipality's intent to annex
3 the area;

4 (2) a detailed description and map of the area;

5 (3) a description of each service to be provided by the
6 municipality in the area on or after the effective date of the
7 annexation, including, as applicable:

8 (A) police protection;

9 (B) fire protection;

10 (C) emergency medical services;

11 (D) solid waste collection;

12 (E) operation and maintenance of water and
13 wastewater facilities in the annexed area;

14 (F) operation and maintenance of roads and
15 streets, including road and street lighting;

16 (G) operation and maintenance of parks,
17 playgrounds, and swimming pools; and

18 (H) operation and maintenance of any other
19 publicly owned facility, building, or service;

20 (4) a list of each service the municipality will
21 provide on the effective date of the annexation; and

22 (5) a schedule that includes the period within which
23 the municipality will provide each service that is not provided on
24 the effective date of the annexation.

25 Sec. 43.0693. NOTICE OF PROPOSED ANNEXATION. Not later
26 than the seventh day after the date the governing body of the
27 municipality adopts the resolution under Section 43.0692, the

1 municipality must mail to each property owner in the area proposed
2 to be annexed notification of the proposed annexation that
3 includes:

4 (1) notice of the public hearings required by Section
5 43.0694;

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

8 (3) a description, list, and schedule of services to
9 be provided by the municipality in the area on or after annexation
10 as provided by Section 43.0692.

11 Sec. 43.0694. PUBLIC HEARINGS. (a) The governing body of
12 a municipality must conduct an initial public hearing not earlier
13 than the 21st day and not later than the 30th day after the date the
14 governing body adopts the resolution under Section 43.0692.

15 (b) The governing body must conduct at least one additional
16 public hearing not earlier than the 31st day and not later than the
17 90th day after the date the governing body adopts a resolution under
18 Section 43.0692.

19 Sec. 43.0695. PROPERTY OWNER CONSENT REQUIRED FOR CERTAIN
20 AREAS. (a) If the registered voters in the area proposed to be
21 annexed do not own more than 50 percent of the land in the area, the
22 municipality must obtain consent to the annexation through a
23 petition signed by more than 50 percent of the owners of land in the
24 area in addition to the election required by this subchapter.

25 (b) The municipality must obtain the consent required by
26 this section through the petition process prescribed by Sections
27 43.0685(b)-(e), and the petition must be verified in the manner

1 provided by Section 43.0686(a).

2 (c) Notwithstanding Section 43.0685(e), the municipality
3 may provide for an owner of land in the area that is not a resident
4 of the area to sign the petition electronically.

5 Sec. 43.0696. ELECTION. (a) A municipality shall order an
6 election on the question of annexing an area to be held on the first
7 uniform election date that falls on or after:

8 (1) the 90th day after the date the governing body of
9 the municipality adopts the resolution under Section 43.0692; or

10 (2) if the consent of the owners of land in the area is
11 required under Section 43.0695, the 78th day after the date the
12 petition period to obtain that consent ends.

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

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

19 Sec. 43.0697. RESULTS OF ELECTION AND PETITION.

20 (a) Following an election held under this subchapter, the
21 municipality must notify the residents of the area proposed to be
22 annexed of the results of the election and, if applicable, of the
23 petition required by Section 43.0695.

24 (b) If at the election held under this subchapter a majority
25 of qualified voters do not approve the proposed annexation, or if
26 the municipality is required to petition owners of land in the area
27 under Section 43.0695 and does not obtain the required number of

1 signatures, the municipality may not annex the area and may not
2 adopt another resolution under Section 43.0692 to annex the area
3 until the first anniversary of the date of the adoption of the
4 resolution.

5 (c) If at the election held under this subchapter a majority
6 of qualified voters approve the proposed annexation, and if the
7 municipality, as applicable, obtains the required number of
8 petition signatures under Section 43.0695, the municipality may
9 annex the area after:

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

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

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

16 Sec. 43.0698. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON
17 PETITION. If a petition protesting the annexation of an area under
18 this subchapter is signed by a number of registered voters of the
19 municipality proposing the annexation equal to at least 50 percent
20 of the number of voters who voted in the most recent municipal
21 election and is received by the secretary of the municipality
22 before the date the election required by this subchapter is held,
23 the municipality may not complete the annexation of the area
24 without approval of a majority of the voters of the municipality
25 voting at a separate election called and held for that purpose.

26 Sec. 43.0699. RETALIATION FOR ANNEXATION DISAPPROVAL
27 PROHIBITED. (a) The disapproval of the proposed annexation of an

1 area under this subchapter does not affect any existing legal
2 obligation of the municipality proposing the annexation to continue
3 to provide governmental services in the area, including water or
4 wastewater services.

5 (b) The municipality may not initiate a rate proceeding
6 solely because of the disapproval of a proposed annexation of an
7 area under this subchapter.

8 SECTION 27. Sections 43.0715(b) and (c), Local Government
9 Code, are amended to read as follows:

10 (b) If a municipality with a population of less than 1.5
11 million annexes a special district for full or limited purposes and
12 the annexation precludes or impairs the ability of the district to
13 issue bonds, the municipality shall, prior to the effective date of
14 the annexation, pay in cash to the landowner or developer of the
15 district a sum equal to all actual costs and expenses incurred by
16 the landowner or developer in connection with the district that the
17 district has, in writing, agreed to pay and that would otherwise
18 have been eligible for reimbursement from bond proceeds under the
19 rules and requirements of the Texas ~~[Natural Resource Conservation]~~
20 Commission on Environmental Quality as such rules and requirements
21 exist on the date of annexation. ~~[For an annexation that is subject~~
22 ~~to preclearance by a federal authority, a payment will be~~
23 ~~considered timely if the municipality: (i) escrows the~~
24 ~~reimbursable amounts determined in accordance with Subsection (c)~~
25 ~~prior to the effective date of the annexation; and (ii)~~
26 ~~subsequently causes the escrowed funds and accrued interest to be~~
27 ~~disbursed to the developer within five business days after the~~

1 ~~municipality receives notice of the preclearance.]~~

2 (c) At the time notice of the municipality's intent to annex
3 the land within the district is first given [~~published~~] in
4 accordance with Section 43.052, 43.0683, or 43.0693, as applicable,
5 the municipality shall proceed to initiate and complete a report
6 for each developer conducted in accordance with the format approved
7 by the Texas [~~Natural Resource Conservation~~] Commission on
8 Environmental Quality for audits. In the event the municipality is
9 unable to complete the report prior to the effective date of the
10 annexation as a result of the developer's failure to provide
11 information to the municipality which cannot be obtained from other
12 sources, the municipality shall obtain from the district the
13 estimated costs of each project previously undertaken by a
14 developer which are eligible for reimbursement. The amount of such
15 costs, as estimated by the district, shall be escrowed by the
16 municipality for the benefit of the persons entitled to receive
17 payment in an insured interest-bearing account with a financial
18 institution authorized to do business in the state. To compensate
19 the developer for the municipality's use of the infrastructure
20 facilities pending the determination of the reimbursement amount
21 [~~or federal preclearance~~], all interest accrued on the escrowed
22 funds shall be paid to the developer whether or not the annexation
23 is valid. Upon placement of the funds in the escrow account, the
24 annexation may become effective. In the event a municipality
25 timely escrows all estimated reimbursable amounts as required by
26 this subsection and all such amounts, determined to be owed,
27 including interest, are subsequently disbursed to the developer

1 within five days of final determination in immediately available
2 funds as required by this section, no penalties or interest shall
3 accrue during the pendency of the escrow. Either the municipality
4 or developer may, by written notice to the other party, require
5 disputes regarding the amount owed under this section to be subject
6 to nonbinding arbitration in accordance with the rules of the
7 American Arbitration Association.

8 SECTION 28. Section 43.0751, Local Government Code, is
9 amended by amending Subsection (h) and adding Subsection (s) to
10 read as follows:

11 (h) On the full-purpose annexation conversion date set
12 forth in the strategic partnership agreement pursuant to Subsection
13 (f)(5) [~~(f)(5)(A)~~], the land included within the boundaries of the
14 district shall be deemed to be within the full-purpose boundary
15 limits of the municipality without the need for further action by
16 the governing body of the municipality. The full-purpose
17 annexation conversion date established by a strategic partnership
18 agreement may be altered only by mutual agreement of the district
19 and the municipality. However, nothing herein shall prevent the
20 municipality from terminating the agreement and instituting
21 proceedings to annex the district, on request by the governing body
22 of the district, on any date prior to the full-purpose annexation
23 conversion date established by the strategic partnership agreement
24 under the procedures applicable to a tier 1 municipality. Land
25 annexed for limited or full purposes under this section shall not be
26 included in calculations prescribed by Section 43.055(a).

27 (s) Notwithstanding any other law, the procedures

1 prescribed by Subchapters C-3, C-4, and C-5 do not apply to the
2 annexation of an area under this section. Except as provided by
3 Subsection (h), a municipality shall follow the procedures
4 established under the strategic partnership agreement for
5 full-purpose annexation of an area under this section.

6 SECTION 29. The heading to Section 43.101, Local Government
7 Code, is amended to read as follows:

8 Sec. 43.101. ANNEXATION OF MUNICIPALLY OWNED RESERVOIR [~~BY~~
9 ~~GENERAL-LAW MUNICIPALITY~~].

10 SECTION 30. Section 43.101(c), Local Government Code, is
11 amended to read as follows:

12 (c) The area may be annexed without the consent of any [~~the~~]
13 owners or residents of the area under the procedures applicable to a
14 tier 1 municipality by:

- 15 (1) a tier 1 municipality; and
16 (2) if there are no owners other than the municipality
17 or residents of the area, a tier 2 municipality.

18 SECTION 31. Section 43.102(c), Local Government Code, is
19 amended to read as follows:

20 (c) The area may be annexed without the consent of any [~~the~~]
21 owners or residents of the area under the procedures applicable to a
22 tier 1 municipality by:

- 23 (1) a tier 1 municipality; and
24 (2) if there are no owners other than the municipality
25 or residents of the area, a tier 2 municipality.

26 SECTION 32. Section 43.1025(c), Local Government Code, is
27 amended to read as follows:

1 (c) The area described by Subsection (b) may be annexed
2 under the requirements applicable to a tier 2 municipality [~~without~~
3 ~~the consent of the owners or residents of the area~~], but the
4 annexation may not occur unless each municipality in whose
5 extraterritorial jurisdiction the area may be located:

6 (1) consents to the annexation; and

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

9 SECTION 33. The heading to Section 43.103, Local Government
10 Code, is amended to read as follows:

11 Sec. 43.103. ANNEXATION OF STREETS, HIGHWAYS, AND OTHER
12 WAYS BY GENERAL-LAW TIER 1 MUNICIPALITIES [~~MUNICIPALITY~~].

13 SECTION 34. Section 43.103(a), Local Government Code, is
14 amended to read as follows:

15 (a) A general-law tier 1 municipality with a population of
16 500 or more may annex, by ordinance and without the consent of any
17 person, the part of a street, highway, alley, or other public or
18 private way, including a railway line, spur, or roadbed, that is
19 adjacent and runs parallel to the boundaries of the municipality.

20 SECTION 35. Section 43.105, Local Government Code, is
21 amended by amending Subsection (a) and adding Subsection (a-1) to
22 read as follows:

23 (a) This section applies only to:

24 (1) a [A] general-law tier 1 municipality that:

25 (A) has a population of 1,066-1,067; and

26 (B) is located in a county with a population of
27 85,000 or more that is not adjacent to a county with a population of

1 2 million or more; ~~7~~ or

2 (2) a general-law tier 1 municipality that has a
3 population of 6,000-6,025.

4 (a-1) Subject to Section 43.1055, a municipality described
5 by Subsection (a) may annex, by ordinance and without the consent of
6 any person, a public street, highway, road, or alley adjacent to the
7 municipality.

8 SECTION 36. Subchapter E, Chapter 43, Local Government
9 Code, is amended by adding Section 43.1055 to read as follows:

10 Sec. 43.1055. ANNEXATION OF ROADS AND RIGHTS-OF-WAY IN
11 CERTAIN LARGE COUNTIES. Notwithstanding any other law, a tier 2
12 municipality may by ordinance annex a road or the right-of-way of a
13 road on request of the owner of the road or right-of-way or the
14 governing body of the political subdivision that maintains the road
15 or right-of-way under the procedures applicable to a tier 1
16 municipality.

17 SECTION 37. Sections 43.121(a) and (c), Local Government
18 Code, are amended to read as follows:

19 (a) Subject to Section 43.1211, the ~~The~~ governing body of
20 a home-rule municipality with more than 225,000 inhabitants by
21 ordinance may annex an area for the limited purposes of applying its
22 planning, zoning, health, and safety ordinances in the area.

23 (c) The provisions of this subchapter, other than Sections
24 43.1211 and ~~Section~~ 43.136, do not affect the authority of a
25 municipality to annex an area for limited purposes under Section
26 43.136 or any other statute granting the authority to annex for
27 limited purposes.

1 SECTION 38. Subchapter F, Chapter 43, Local Government
2 Code, is amended by adding Section 43.1211 to read as follows:

3 Sec. 43.1211. AUTHORITY OF CERTAIN TIER 2 MUNICIPALITIES TO
4 ANNEX FOR LIMITED PURPOSES. Except as provided by Section 43.0751,
5 beginning December 1, 2017, a tier 2 municipality described by
6 Section 43.121(a) may annex an area for the limited purposes of
7 applying its planning, zoning, health, and safety ordinances in the
8 area using the procedures under Subchapter C-3, C-4, or C-5, as
9 applicable.

10 SECTION 39. Sections 43.141(a) and (b), Local Government
11 Code, are amended to read as follows:

12 (a) A majority of the qualified voters of an annexed area
13 may petition the governing body of the municipality to disannex the
14 area if the municipality fails or refuses to provide services or to
15 cause services to be provided to the area:

16 (1) if the municipality is a tier 1 municipality,
17 within the period specified by Section 43.056 or by the service plan
18 prepared for the area under that section; or

19 (2) if the municipality is a tier 2 municipality,
20 within the period specified by the written agreement under Section
21 43.0672 or the resolution under Section 43.0682 or 43.0692, as
22 applicable.

23 (b) If the governing body fails or refuses to disannex the
24 area within 60 days after the date of the receipt of the petition,
25 any one or more of the signers of the petition may bring a cause of
26 action in a district court of the county in which the area is
27 principally located to request that the area be disannexed. On the

1 filing of an answer by the governing body, and on application of
2 either party, the case shall be advanced and heard without further
3 delay in accordance with the Texas Rules of Civil Procedure. The
4 district court shall enter an order disannexing the area if the
5 court finds that a valid petition was filed with the municipality
6 and that the municipality failed to:

7 (1) perform its obligations in accordance with:

8 (A) the service plan under Section 43.056;

9 (B) the written agreement entered into under
10 Section 43.0672; or

11 (C) the resolution adopted under Section 43.0682
12 or 43.0692, as applicable; or

13 (2) [failed to] perform in good faith.

14 SECTION 40. Sections 43.203(a) and (b), Local Government
15 Code, are amended to read as follows:

16 (a) Notwithstanding any other law, the ~~[The]~~ governing body
17 of a district by resolution may petition a municipality to alter the
18 annexation status of land in the district from full-purpose
19 annexation to limited-purpose annexation.

20 (b) On receipt of the district's petition, the governing
21 body of the municipality shall enter into negotiations with the
22 district for an agreement to alter the status of annexation that
23 must:

24 (1) specify the period, which may not be less than 10
25 years beginning on January 1 of the year following the date of the
26 agreement, in which limited-purpose annexation is in effect;

27 (2) provide that, at the expiration of the period, the

1 district's annexation status will automatically revert to
2 full-purpose annexation without following procedures provided by
3 Sections 43.014 and 43.052 [~~43.051~~] through 43.055 or any other
4 procedural requirement for annexation not in effect on January 1,
5 1995; and

6 (3) specify the financial obligations of the district
7 during and after the period of limited-purpose annexation for:

8 (A) facilities constructed by the municipality
9 that are in or that serve the district;

10 (B) debt incurred by the district for water and
11 sewer infrastructure that will be assumed by the municipality at
12 the end of the period of limited-purpose annexation; and

13 (C) use of the municipal sales taxes collected by
14 the municipality for facilities or services in the district.

15 SECTION 41. Section 43.905(a), Local Government Code, is
16 amended to read as follows:

17 (a) A municipality that proposes to annex an area shall
18 provide written notice of the proposed annexation to each public
19 school district located in the area proposed for annexation within
20 the period prescribed for providing [~~publishing~~] the notice of the
21 first hearing under Section 43.0561, [~~or~~] 43.063, 43.0673, 43.0683,
22 or 43.0693, as applicable.

23 SECTION 42. Subchapter Z, Chapter 43, Local Government
24 Code, is amended by adding Section 43.9051 to read as follows:

25 Sec. 43.9051. EFFECT OF ANNEXATION ON PUBLIC ENTITIES OR
26 POLITICAL SUBDIVISIONS. (a) In this section, "public entity"
27 includes a county, fire protection service provider, including a

1 volunteer fire department, emergency medical services provider,
2 including a volunteer emergency medical services provider, or
3 special district, as that term is defined by Section 43.052.

4 (b) A municipality that proposes to annex an area shall
5 provide written notice of the proposed annexation within the period
6 prescribed for providing the notice of the first hearing under
7 Section 43.0561, 43.063, 43.0673, 43.0683, or 43.0693, as
8 applicable, to each public entity that is located in or provides
9 services to the area proposed for annexation.

10 (c) A municipality that proposes to enter into a strategic
11 partnership agreement under Section 43.0751 shall provide written
12 notice of the proposed agreement within the period prescribed for
13 providing the notice of the first hearing under Section 43.0751 to
14 each political subdivision that is located in or provides services
15 to the area subject to the proposed agreement.

16 (d) A notice to a public entity or political subdivision
17 shall contain a description of:

18 (1) the area proposed for annexation;

19 (2) any financial impact on the public entity or
20 political subdivision resulting from the annexation, including any
21 changes in the public entity's or political subdivision's revenues
22 or maintenance and operation costs; and

23 (3) any proposal the municipality has to abate,
24 reduce, or limit any financial impact on the public entity or
25 political subdivision.

26 (e) The municipality may not proceed with the annexation
27 unless the municipality provides the required notice under this

1 section.

2 SECTION 43. Subchapter Z, Chapter 43, Local Government
3 Code, is amended by adding Section 43.908 to read as follows:

4 Sec. 43.908. ENFORCEMENT OF CHAPTER. (a) This chapter may
5 be enforced only through mandamus or declaratory or injunctive
6 relief.

7 (b) A political subdivision's immunity from suit is waived
8 in regard to an action under this chapter.

9 (c) A court may award court costs and reasonable and
10 necessary attorney's fees to the prevailing party in an action
11 under this chapter.

12 SECTION 44. Section 8395.151, Special District Local Laws
13 Code, is amended to read as follows:

14 Sec. 8395.151. ANNEXATION BY MUNICIPALITY. (a) The
15 governing body of a [A] municipality that plans to [may] annex all
16 or part of the district first must adopt a resolution of intention
17 to annex all or part of the district and transmit that resolution to
18 the district and the following districts:

19 (1) Travis County Municipal Utility District No. 4;

20 (2) Travis County Municipal Utility District No. 5;

21 (3) Travis County Municipal Utility District No. 6;

22 (4) Travis County Municipal Utility District No. 7;

23 (5) Travis County Municipal Utility District No. 8;

24 (6) Travis County Municipal Utility District No. 9;

25 and

26 (7) Travis County Water Control and Improvement
27 District No. 19.

1 (b) On receipt of a resolution described by Subsection (a),
2 the district and each of the districts listed in Subsection (a)
3 shall call an election to be held on the next uniform election date
4 on the question of whether the annexation should be authorized.

5 (c) The municipality may annex the territory described by
6 the resolution only if a majority of the total number of voters
7 voting in all of the districts' elections vote in favor of
8 authorizing the annexation.

9 (d) The municipality seeking annexation shall pay the costs
10 of the elections held under this section [~~on the earlier of:~~

11 [~~(1) the installation of 90 percent of all works,~~
12 ~~improvements, facilities, plants, equipment, and appliances~~
13 ~~necessary and adequate to:~~

14 [~~(A) provide service to the proposed development~~
15 ~~within the district;~~

16 [~~(B) accomplish the purposes for which the~~
17 ~~district was created; and~~

18 [~~(C) exercise the powers provided by general law~~
19 ~~and this chapter; or~~

20 [~~(2) the 20th anniversary of the date the district was~~
21 ~~confirmed].~~

22 SECTION 45. Section 8396.151, Special District Local Laws
23 Code, is amended to read as follows:

24 Sec. 8396.151. ANNEXATION BY MUNICIPALITY. (a) The
25 governing body of a [A] municipality that plans to [may] annex all
26 or part of the district first must adopt a resolution of intention
27 to annex all or part of the district and transmit that resolution to

1 the district and the following districts:

2 (1) Travis County Municipal Utility District No. 3;

3 (2) Travis County Municipal Utility District No. 5;

4 (3) Travis County Municipal Utility District No. 6;

5 (4) Travis County Municipal Utility District No. 7;

6 (5) Travis County Municipal Utility District No. 8;

7 (6) Travis County Municipal Utility District No. 9;

8 and

9 (7) Travis County Water Control and Improvement

10 District No. 19.

11 (b) On receipt of a resolution described by Subsection (a),
12 the district and each of the districts listed in Subsection (a)
13 shall call an election to be held on the next uniform election date
14 on the question of whether the annexation should be authorized.

15 (c) The municipality may annex the territory described in
16 the resolution only if a majority of the total number of voters
17 voting in all of the districts' elections vote in favor of
18 authorizing the annexation.

19 (d) The municipality seeking annexation shall pay the costs
20 of the elections held under this section [~~on the earlier of:~~

21 ~~(1) the installation of 90 percent of all works,~~
22 ~~improvements, facilities, plants, equipment, and appliances~~
23 ~~necessary and adequate to:~~

24 ~~[(A) provide service to the proposed development~~
25 ~~within the district,~~

26 ~~[(B) accomplish the purposes for which the~~
27 ~~district was created, and~~

1 [~~(C)~~ exercise the powers provided by general law
2 and this chapter, or

3 [~~(2)~~ the 20th anniversary of the date the district was
4 confirmed].

5 SECTION 46. Section 8397.151, Special District Local Laws
6 Code, is amended to read as follows:

7 Sec. 8397.151. ANNEXATION BY MUNICIPALITY. (a) The
8 governing body of a [A] municipality that plans to [may] annex all
9 or part of the district first must adopt a resolution of intention
10 to annex all or part of the district and transmit that resolution to
11 the district and the following districts:

- 12 (1) Travis County Municipal Utility District No. 3;
- 13 (2) Travis County Municipal Utility District No. 4;
- 14 (3) Travis County Municipal Utility District No. 6;
- 15 (4) Travis County Municipal Utility District No. 7;
- 16 (5) Travis County Municipal Utility District No. 8;
- 17 (6) Travis County Municipal Utility District No. 9;

18 and

19 (7) Travis County Water Control and Improvement
20 District No. 19.

21 (b) On receipt of a resolution described by Subsection (a),
22 the district and each of the districts listed in Subsection (a)
23 shall call an election to be held on the next uniform election date
24 on the question of whether the annexation should be authorized.

25 (c) The municipality may annex the territory described in
26 the resolution only if a majority of the total number of voters
27 voting in all of the districts' elections vote in favor of

1 authorizing the annexation.

2 (d) The municipality seeking annexation shall pay the costs
3 of the elections held under this section [~~on the earlier of:~~

4 [~~(1) the installation of 90 percent of all works,~~
5 ~~improvements, facilities, plants, equipment, and appliances~~
6 ~~necessary and adequate to:~~

7 [~~(A) provide service to the proposed development~~
8 ~~within the district;~~

9 [~~(B) accomplish the purposes for which the~~
10 ~~district was created; and~~

11 [~~(C) exercise the powers provided by general law~~
12 ~~and this chapter; or~~

13 [~~(2) the 20th anniversary of the date the district was~~
14 ~~confirmed].~~

15 SECTION 47. Section 8398.151, Special District Local Laws
16 Code, is amended to read as follows:

17 Sec. 8398.151. ANNEXATION BY MUNICIPALITY. (a) The
18 governing body of a [A] municipality that plans to [may] annex all
19 or part of the district first must adopt a resolution of intention
20 to annex all or part of the district and transmit that resolution to
21 the district and the following districts:

22 (1) Travis County Municipal Utility District No. 3;

23 (2) Travis County Municipal Utility District No. 4;

24 (3) Travis County Municipal Utility District No. 5;

25 (4) Travis County Municipal Utility District No. 7;

26 (5) Travis County Municipal Utility District No. 8;

27 (6) Travis County Municipal Utility District No. 9;

1 and

2 (7) Travis County Water Control and Improvement
3 District No. 19.

4 (b) On receipt of a resolution described by Subsection (a),
5 the district and each of the districts listed in Subsection (a)
6 shall call an election to be held on the next uniform election date
7 on the question of whether the annexation should be authorized.

8 (c) The municipality may annex the territory described in
9 the resolution only if a majority of the total number of voters
10 voting in all of the districts' elections vote in favor of
11 authorizing the annexation.

12 (d) The municipality seeking annexation shall pay the costs
13 of the elections held under this section [~~on the earlier of:~~

14 [~~(1) the installation of 90 percent of all works,~~
15 ~~improvements, facilities, plants, equipment, and appliances~~
16 ~~necessary and adequate to:~~

17 [~~(A) provide service to the proposed development~~
18 ~~within the district,~~

19 [~~(B) accomplish the purposes for which the~~
20 ~~district was created, and~~

21 [~~(C) exercise the powers provided by general law~~
22 ~~and this chapter, or~~

23 [~~(2) the 20th anniversary of the date the district was~~
24 ~~confirmed].~~

25 SECTION 48. Section 8399.151, Special District Local Laws
26 Code, is amended to read as follows:

27 Sec. 8399.151. ANNEXATION BY MUNICIPALITY. (a) The

1 governing body of a [A] municipality that plans to [may] annex all
2 or part of the district first must adopt a resolution of intention
3 to annex all or part of the district and transmit that resolution to
4 the district and the following districts:

5 (1) Travis County Municipal Utility District No. 3;

6 (2) Travis County Municipal Utility District No. 4;

7 (3) Travis County Municipal Utility District No. 5;

8 (4) Travis County Municipal Utility District No. 6;

9 (5) Travis County Municipal Utility District No. 8;

10 (6) Travis County Municipal Utility District No. 9;

11 and

12 (7) Travis County Water Control and Improvement
13 District No. 19.

14 (b) On receipt of a resolution described by Subsection (a),
15 the district and each of the districts listed in Subsection (a)
16 shall call an election to be held on the next uniform election date
17 on the question of whether the annexation should be authorized.

18 (c) The municipality may annex the territory described in
19 the resolution only if a majority of the total number of voters
20 voting in all of the districts' elections vote in favor of
21 authorizing the annexation.

22 (d) The municipality seeking annexation shall pay the costs
23 of the elections held under this section [on the earlier of:

24 (1) the installation of 90 percent of all works,
25 improvements, facilities, plants, equipment, and appliances
26 necessary and adequate to:

27 [(A) provide service to the proposed development

1 ~~within the district,~~

2 ~~[(B) accomplish the purposes for which the~~
3 ~~district was created, and~~

4 ~~[(C) exercise the powers provided by general law~~
5 ~~and this chapter, or~~

6 ~~[(2) the 20th anniversary of the date the district was~~
7 ~~confirmed].~~

8 SECTION 49. Section 8400.151, Special District Local Laws
9 Code, is amended to read as follows:

10 Sec. 8400.151. ANNEXATION BY MUNICIPALITY. (a) The
11 governing body of a [A] municipality that plans to [may] annex all
12 or part of the district first must adopt a resolution of intention
13 to annex all or part of the district and transmit that resolution to
14 the district and the following districts:

- 15 (1) Travis County Municipal Utility District No. 3;
- 16 (2) Travis County Municipal Utility District No. 4;
- 17 (3) Travis County Municipal Utility District No. 5;
- 18 (4) Travis County Municipal Utility District No. 6;
- 19 (5) Travis County Municipal Utility District No. 7;
- 20 (6) Travis County Municipal Utility District No. 9;

21 and

22 (7) Travis County Water Control and Improvement
23 District No. 19.

24 (b) On receipt of a resolution described by Subsection (a),
25 the district and each of the districts listed in Subsection (a)
26 shall call an election to be held on the next uniform election date
27 on the question of whether the annexation should be authorized.

1 (c) The municipality may annex the territory described in
2 the resolution only if a majority of the total number of voters
3 voting in all of the districts' elections vote in favor of
4 authorizing the annexation.

5 (d) The municipality seeking annexation shall pay the costs
6 of the elections held under this section [~~on the earlier of:~~

7 [~~(1) the installation of 90 percent of all works,~~
8 ~~improvements, facilities, plants, equipment, and appliances~~
9 ~~necessary and adequate to:~~

10 [~~(A) provide service to the proposed development~~
11 ~~within the district;~~

12 [~~(B) accomplish the purposes for which the~~
13 ~~district was created; and~~

14 [~~(C) exercise the powers provided by general law~~
15 ~~and this chapter; or~~

16 [~~(2) the 20th anniversary of the date the district was~~
17 ~~confirmed].~~

18 SECTION 50. Section 8401.151, Special District Local Laws
19 Code, is amended to read as follows:

20 Sec. 8401.151. ANNEXATION BY MUNICIPALITY. (a) The
21 governing body of a [A] municipality that plans to [may] annex all
22 or part of the district first must adopt a resolution of intention
23 to annex all or part of the district and transmit that resolution to
24 the district and the following districts:

- 25 (1) Travis County Municipal Utility District No. 3;
26 (2) Travis County Municipal Utility District No. 4;
27 (3) Travis County Municipal Utility District No. 5;

1 (4) Travis County Municipal Utility District No. 6;

2 (5) Travis County Municipal Utility District No. 7;

3 (6) Travis County Municipal Utility District No. 8;

4 and

5 (7) Travis County Water Control and Improvement
6 District No. 19.

7 (b) On receipt of a resolution described by Subsection (a),
8 the district and each of the districts listed in Subsection (a)
9 shall call an election to be held on the next uniform election date
10 on the question of whether the annexation should be authorized.

11 (c) The municipality may annex the territory described in
12 the resolution only if a majority of the total number of voters
13 voting in all of the districts' elections vote in favor of
14 authorizing the annexation.

15 (d) The municipality seeking annexation shall pay the costs
16 of the elections held under this section [~~on the earlier of:~~

17 ~~[(1) the installation of 90 percent of all works,~~
18 ~~improvements, facilities, plants, equipment, and appliances~~
19 ~~necessary and adequate to:~~

20 ~~[(A) provide service to the proposed development~~
21 ~~within the district,~~

22 ~~[(B) accomplish the purposes for which the~~
23 ~~district was created, and~~

24 ~~[(C) exercise the powers provided by general law~~
25 ~~and this chapter, or~~

26 ~~[(2) the 20th anniversary of the date the district was~~
27 ~~confirmed].~~

1 SECTION 51. Section 8489.109, Special District Local Laws
2 Code, is amended to read as follows:

3 Sec. 8489.109. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT.
4 For the purposes of Section 43.003(2) [~~43.021(2)~~], Local Government
5 Code, or other law, including a municipal charter or ordinance
6 relating to annexation, an area adjacent to the district or any new
7 district created by the division of the district is considered
8 adjacent to a municipality in whose corporate limits or
9 extraterritorial jurisdiction any of the land in the area described
10 by Section 2 of the Act enacting this chapter is located.

11 SECTION 52. Section 9038.110, Special District Local Laws
12 Code, is amended to read as follows:

13 Sec. 9038.110. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT.
14 For the purposes of Section 43.003(2) [~~43.021(2)~~], Local Government
15 Code, or other law, including a municipal charter or ordinance
16 relating to annexation, an area adjacent to the district or any new
17 district created by the division of the district is considered
18 adjacent to a municipality in whose corporate limits or
19 extraterritorial jurisdiction any of the land in the area described
20 by Section 2 of the Act creating this chapter is located.

21 SECTION 53. Section 9039.110, Special District Local Laws
22 Code, is amended to read as follows:

23 Sec. 9039.110. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT.
24 For the purposes of Section 43.003(2) [~~43.021(2)~~], Local Government
25 Code, or other law, including a municipal charter or ordinance
26 relating to annexation, an area adjacent to the district or any new
27 district created by the division of the district is considered

1 adjacent to a municipality in whose corporate limits or
2 extraterritorial jurisdiction any of the land in the area described
3 by Section 2 of the Act creating this chapter is located.

4 SECTION 54. Subtitle I, Title 6, Special District Local
5 Laws Code, is amended by adding Chapter 9073 to read as follows:

6 CHAPTER 9073. TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT
7 NO. 19; ANNEXATION

8 Sec. 9073.001. DEFINITION. In this chapter, "district"
9 means the Travis County Water Control and Improvement District
10 No. 19.

11 Sec. 9073.002. ANNEXATION BY MUNICIPALITY. (a) The
12 governing body of a municipality that plans to annex all or part of
13 the district first must adopt a resolution of intention to annex all
14 or part of the district and transmit that resolution to the district
15 and the following districts:

- 16 (1) Travis County Municipal Utility District No. 3;
- 17 (2) Travis County Municipal Utility District No. 4;
- 18 (3) Travis County Municipal Utility District No. 5;
- 19 (4) Travis County Municipal Utility District No. 6;
- 20 (5) Travis County Municipal Utility District No. 7;
- 21 (6) Travis County Municipal Utility District No. 8;

22 and

- 23 (7) Travis County Municipal Utility District No. 9.

24 (b) On receipt of a resolution described by Subsection (a),
25 the district and each of the districts listed in Subsection (a)
26 shall call an election to be held on the next uniform election date
27 on the question of whether the annexation should be authorized.

1 (c) The municipality may annex the territory described in
2 the resolution only if a majority of the total number of voters
3 voting in all of the districts' elections vote in favor of
4 authorizing the annexation.

5 (d) The municipality seeking annexation shall pay the costs
6 of the elections held under this section.

7 SECTION 55. (a) Sections 43.036, 43.0546, 43.056(d) and
8 (h), 43.0565, 43.0567, 43.1025(e) and (g), and 43.906, Local
9 Government Code, are repealed.

10 (b) Section 43.056(p), Local Government Code, as amended by
11 S.B. 1878, Acts of the 85th Legislature, Regular Session, 2017, is
12 repealed.

13 (c) Section 5.701(n)(6), Water Code, is repealed.

14 (d) The repeal of Section 43.036, Local Government Code, by
15 this Act does not affect a boundary change agreement entered into
16 under that section, the release and transfer of area under a
17 boundary change agreement entered into under that section, or the
18 requirements related to a boundary change agreement entered into
19 under that section.

20 (e) The repeal of Sections 43.056(d), (h), and (p) and
21 Sections 43.0565 and 43.0567, Local Government Code, by this Act
22 and the change in law made by this Act to Sections 43.056(l) and
23 (n), Local Government Code, do not affect a right, requirement,
24 limitation, or remedy provided for under those sections and
25 applicable in an area annexed by a municipality for which the first
26 hearing notice required by Section 43.0561 or 43.063, Local
27 Government Code, as applicable, was published before December 1,

1 2017.

2 SECTION 56. The changes in law made by this Act apply only
3 to the annexation of an area that is not final on the effective date
4 of this Act. An annexation of an area that was final before the
5 effective date of this Act is governed by those portions of Chapter
6 43, Local Government Code, that relate to post-annexation
7 procedures and requirements in effect immediately before the
8 effective date of this Act, and that law is continued in effect for
9 that purpose.

10 SECTION 57. This Act takes effect December 1, 2017.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 6 passed the Senate on July 26, 2017, by the following vote: Yeas 19, Nays 12; and that the Senate concurred in House amendments on August 13, 2017, by the following vote: Yeas 21, Nays 10.

Secretary of the Senate

I hereby certify that S.B. No. 6 passed the House, with amendments, on August 12, 2017, by the following vote: Yeas 116, Nays 26, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor