

A BILL TO BE ENTITLED

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 with a population of less than 125,000.

(3) "Tier 2 county" means a county with a population of 125,000 or more.

(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.

(5) "Tier 2 municipality" means a municipality:
(A) wholly or partly located in a tier 2 county;
or

(B) wholly located in one or more tier 1 counties that proposes to annex an area wholly or partly located in a tier 2 county.

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

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

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

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

10 SECTION 3. Section 43.021, Local Government Code, is
11 transferred to Subchapter A, Chapter 43, Local Government Code,
12 redesignated as Section 43.003, Local Government Code, and amended
13 to read as follows:

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

20 (1) fix the boundaries of the municipality;

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

23 (3) exchange area with other municipalities.

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

26 SUBCHAPTER A-1. GENERAL AUTHORITY TO ANNEX

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

1 (1) a tier 1 municipality; and

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

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

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

9 (2) proposes to annex an area that:

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

12 (B) has fewer than 100 dwelling units.

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

17 Sec. 43.0116. AUTHORITY OF MUNICIPALITY TO ANNEX INDUSTRIAL
18 DISTRICTS. Notwithstanding any other law, a municipality may annex
19 all or part of the area located in an industrial district designated
20 by the governing body of the municipality under Section [42.044](#)
21 under the requirements applicable to a tier 1 municipality.

22 Sec. 43.0117. AUTHORITY OF MUNICIPALITY TO ANNEX AREA NEAR
23 MILITARY BASE. (a) In this section, "military base" means a
24 presently functioning federally owned or operated military
25 installation or facility.

26 (b) Notwithstanding any other law, a municipality may annex
27 for full or limited purposes any part of the area located within

1 one-quarter mile of the boundaries of a military base in which an
2 active training program is conducted only if the municipality and
3 the military base enter into a memorandum of agreement to establish
4 provisions to maintain the compatibility of the municipality's
5 regulation of land in the area with the military base operations
6 following the annexation.

7 SECTION 5. Section 43.026, Local Government Code, is
8 transferred to Subchapter A-1, Chapter 43, Local Government Code,
9 as added by this Act, redesignated as Section 43.012, Local
10 Government Code, and amended to read as follows:

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

17 SECTION 6. Section 43.027, Local Government Code, is
18 transferred to Subchapter A-1, Chapter 43, Local Government Code,
19 as added by this Act, redesignated as Section 43.013, Local
20 Government Code, and amended to read as follows:

21 Sec. 43.013 [43.027]. AUTHORITY OF [GENERAL-LAW]
22 MUNICIPALITY TO ANNEX NAVIGABLE STREAM. The governing body of a
23 [~~general-law~~] municipality by ordinance may annex any navigable
24 stream adjacent to the municipality and within the municipality's
25 extraterritorial jurisdiction under the procedures prescribed by
26 Subchapter C-1.

27 SECTION 7. Section 43.051, Local Government Code, is

1 transferred to Subchapter A-1, Chapter 43, Local Government Code,
2 as added by this Act, and redesignated as Section 43.014, Local
3 Government Code, to read as follows:

4 Sec. 43.014 [~~43.051~~]. AUTHORITY TO ANNEX LIMITED TO
5 EXTRATERRITORIAL JURISDICTION. A municipality may annex area only
6 in its extraterritorial jurisdiction unless the municipality owns
7 the area.

8 SECTION 8. Section 43.031, Local Government Code, is
9 transferred to Subchapter A-1, Chapter 43, Local Government Code,
10 as added by this Act, and redesignated as Section 43.015, Local
11 Government Code, to read as follows:

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

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

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

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

25 (2) appraised for ad valorem tax purposes as land for
26 agricultural or wildlife management use under Subchapter C or D,
27 Chapter 23, Tax Code, or as timber land under Subchapter E of that

1 chapter.

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

4 (1) the municipality offers to make a development
5 agreement with the landowner under Section [212.172](#) that would:

6 (A) guarantee the continuation of the
7 extraterritorial status of the area; and

8 (B) authorize the enforcement of all regulations
9 and planning authority of the municipality that do not interfere
10 with the use of the area for agriculture, wildlife management, or
11 timber; and

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

14 (c) For purposes of Section [43.003\(2\)](#) [~~[43.021\(2\)](#)~~] or
15 another law, including a municipal charter or ordinance, relating
16 to municipal authority to annex an area adjacent to the
17 municipality, an area adjacent or contiguous to an area that is the
18 subject of a development agreement described by Subsection (b)(1)
19 is considered adjacent or contiguous to the municipality.

20 (d) A provision of a development agreement described by
21 Subsection (b)(1) that restricts or otherwise limits the annexation
22 of all or part of the area that is the subject of the agreement is
23 void if the landowner files any type of subdivision plat or related
24 development document for the area with a governmental entity that
25 has jurisdiction over the area, regardless of how the area is
26 appraised for ad valorem tax purposes.

27 (e) A development agreement described by Subsection (b)(1)

1 is not a permit for purposes of Chapter 245.

2 SECTION 10. Section 43.037, Local Government Code, is
3 transferred to Subchapter A-1, Chapter 43, Local Government Code,
4 as added by this Act, redesignated as Section 43.017, Local
5 Government Code, and amended to read as follows:

6 Sec. 43.017 [~~43.037~~]. PROHIBITION AGAINST ANNEXATION TO
7 SURROUND MUNICIPALITY IN CERTAIN COUNTIES. (a) A municipality
8 with a population of more than 175,000 located in a county that
9 contains an international border and borders the Gulf of Mexico may
10 not annex an area that would cause another municipality to be
11 entirely surrounded by the corporate limits or extraterritorial
12 jurisdiction of the annexing municipality.

13 (b) A municipality described by Subsection (a) to which
14 Section 42.0235 applies and a neighboring municipality may waive
15 Subsection (a) if the governing body of each municipality adopts,
16 on or after December 1, 2017, a resolution stating that this section
17 is waived.

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

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

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

23 Sec. 43.0205. APPLICABILITY. This subchapter applies only
24 to a tier 1 municipality.

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

27 SUBCHAPTER C. ANNEXATION PROCEDURE FOR AREAS ANNEXED UNDER

1 MUNICIPAL ANNEXATION PLAN: TIER 1 MUNICIPALITIES

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

4 Sec. 43.0505. APPLICABILITY. (a) Except as provided by
5 Subsection (b), this subchapter applies only to a tier 1
6 municipality.

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

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

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

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

16 (2) the area will be annexed by petition of more than
17 50 percent of the real property owners in the area proposed for
18 annexation or by vote or petition of the qualified voters or real
19 property owners as provided by Subchapter B;

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

21 (A) an industrial district contract under
22 Section 42.044; or

23 (B) a strategic partnership agreement under
24 Section 43.0751;

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

27 (5) the area is annexed under Section 43.012, 43.013,

1 43.015 [~~43.026, 43.027~~], or 43.029[~~, or 43.031~~];

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

4 (7) the municipality determines that the annexation of
5 the area is necessary to protect the area proposed for annexation or
6 the municipality from:

7 (A) imminent destruction of property or injury to
8 persons; or

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

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

14 (a) A municipality [~~with a population of less than 1.6~~
15 ~~million~~] may not annex a publicly or privately owned area,
16 including a strip of area following the course of a road, highway,
17 river, stream, or creek, unless the width of the area at its
18 narrowest point is at least 1,000 feet.

19 SECTION 17. Sections 43.056(l) and (n), Local Government
20 Code, are amended to read as follows:

21 (l) A service plan is valid for 10 years. Renewal of the
22 service plan is at the discretion of the municipality. [~~A person~~
23 ~~residing or owning land in an annexed area in a municipality with a~~
24 ~~population of 1.6 million or more may enforce a service plan by~~
25 ~~petitioning the municipality for a change in policy or procedures~~
26 ~~to ensure compliance with the service plan. If the municipality~~
27 ~~fails to take action with regard to the petition, the petitioner may~~

1 ~~request arbitration of the dispute under Section 43.0565.~~] A
2 person residing or owning land in an annexed area [~~in a municipality~~
3 ~~with a population of less than 1.6 million~~] may enforce a service
4 plan by applying for a writ of mandamus not later than the second
5 anniversary of the date the person knew or should have known that
6 the municipality was not complying with the service plan. If a writ
7 of mandamus is applied for, the municipality has the burden of
8 proving that the services have been provided in accordance with the
9 service plan in question. If a court issues a writ under this
10 subsection, the court:

11 (1) must provide the municipality the option of
12 disannexing the area within a reasonable period specified by the
13 court;

14 (2) may require the municipality to comply with the
15 service plan in question before a reasonable date specified by the
16 court if the municipality does not disannex the area within the
17 period prescribed by the court under Subdivision (1);

18 (3) may require the municipality to refund to the
19 landowners of the annexed area money collected by the municipality
20 from those landowners for services to the area that were not
21 provided;

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

26 (5) may require the parties to participate in
27 mediation; and

1 (6) may require the municipality to pay the person's
2 costs and reasonable attorney's fees in bringing the action for the
3 writ.

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

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

9 (2) offer ~~[impose a fee for]~~ solid waste management
10 services in the area unless a privately owned solid waste
11 management service provider is unavailable ~~[on a person who~~
12 ~~continues to use the services of a privately owned solid waste~~
13 ~~management service provider]~~.

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

16 (a) After holding the hearings as provided by Section
17 43.0561:

18 (1) ~~[if a municipality has a population of less than~~
19 ~~1.6 million,~~] the municipality and the property owners of the area
20 proposed for annexation shall negotiate for the provision of
21 services to the area after annexation or for the provision of
22 services to the area in lieu of annexation under Section 43.0563; or

23 (2) if a municipality proposes to annex a special
24 district, as that term is defined by Section 43.052, the
25 municipality and the governing body of the district shall negotiate
26 for the provision of services to the area after annexation or for
27 the provision of services to the area in lieu of annexation under

1 Section 43.0751.

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

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

8 (1) representatives designated under Section
9 43.0562(b), if the area is included in the municipality's
10 annexation plan; or

11 (2) an owner of an area within the extraterritorial
12 jurisdiction of the municipality if the area is not included in the
13 municipality's annexation plan.

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

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

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

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

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

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

3 (a) Sections [~~43.051,~~] 43.054, 43.0545, 43.055, [~~43.0565,~~
4 ~~43.0567,~~] and 43.057 apply to the annexation of an area to which
5 this subchapter applies.

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

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

15 [~~(b) Notwithstanding any provision of a municipal charter~~
16 ~~to the contrary, the governing body of a municipality with a~~
17 ~~population of 1.6 million or more may provide that an annexation~~
18 ~~take effect on any date within 90 days after the date of the~~
19 ~~adoption of the ordinance providing for the annexation.]~~

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

22 SUBCHAPTER C-2. GENERAL ANNEXATION AUTHORITY AND PROCEDURES: TIER
23 2 MUNICIPALITIES

24 Sec. 43.066. APPLICABILITY. This subchapter applies only
25 to a tier 2 municipality.

26 Sec. 43.0661. PROVISION OF CERTAIN SERVICES TO ANNEXED
27 AREA. (a) This section applies only to a municipality that

1 includes solid waste collection services in the list of services
2 that will be provided in the area proposed for annexation on or
3 before the second anniversary of the effective date of the
4 annexation of the area under a written agreement under Section
5 43.0672 or a resolution under Section 43.0682 or 43.0692.

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

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

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

14 (2) offer solid waste management services in the area
15 unless a privately owned solid waste management service provider is
16 unavailable.

17 Sec. 43.0663. EFFECT ON OTHER LAW. Subchapters C-3 through
18 C-5 do not affect the procedures described by Section 397.005 or
19 397.006 applicable to a defense community as defined by Section
20 397.001.

21 SECTION 25. Section 43.030, Local Government Code, is
22 transferred to Subchapter C-2, Chapter 43, Local Government Code,
23 as added by this Act, redesignated as Section 43.0662, Local
24 Government Code, and amended to read as follows:

25 Sec. 43.0662 [~~43.030~~]. AUTHORITY OF MUNICIPALITY WITH
26 POPULATION OF 74,000 TO 99,700 IN URBAN COUNTY TO ANNEX SMALL,
27 SURROUNDED GENERAL-LAW MUNICIPALITY. (a) Notwithstanding

1 Subchapter C-4 or C-5, a [A] municipality that has a population of
2 74,000 to 99,700, that is located wholly or partly in a county with
3 a population of more than 1.8 million, and that completely
4 surrounds and is contiguous to a general-law municipality with a
5 population of less than 600, may annex the general-law municipality
6 as provided by this section.

7 (b) The governing body of the smaller municipality may adopt
8 an ordinance ordering an election on the question of consenting to
9 the annexation of the smaller municipality by the larger
10 municipality. The governing body of the smaller municipality shall
11 adopt the ordinance if it receives a petition to do so signed by a
12 number of qualified voters of the municipality equal to at least 10
13 percent of the number of voters of the municipality who voted in the
14 most recent general election. If the ordinance ordering the
15 election is to be adopted as a result of a petition, the ordinance
16 shall be adopted within 30 days after the date the petition is
17 received.

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

24 (d) Within 10 days after the date on which the election is
25 held, the governing body of the smaller municipality shall canvass
26 the election returns and by resolution shall declare the results of
27 the election. If a majority of the votes received is in favor of the

1 annexation, the secretary of the smaller municipality or other
2 appropriate municipal official shall forward by certified mail to
3 the secretary of the larger municipality a certified copy of the
4 resolution.

5 (e) The larger municipality, within 90 days after the date
6 the resolution is received, must complete the annexation by
7 ordinance in accordance with its municipal charter or the general
8 laws of the state. If the annexation is not completed within the
9 90-day period, any annexation proceeding is void and the larger
10 municipality may not annex the smaller municipality under this
11 section. However, the failure to complete the annexation as
12 provided by this subsection does not prevent the smaller
13 municipality from holding a new election on the question to enable
14 the larger municipality to annex the smaller municipality as
15 provided by this section.

16 (f) If the larger municipality completes the annexation
17 within the prescribed period, the incorporation of the smaller
18 municipality is abolished. The records, public property, public
19 buildings, money on hand, credit accounts, and other assets of the
20 smaller municipality become the property of the larger municipality
21 and shall be turned over to the officers of that municipality. The
22 offices in the smaller municipality are abolished and the persons
23 holding those offices are not entitled to further remuneration or
24 compensation. All outstanding liabilities of the smaller
25 municipality are assumed by the larger municipality.

26 (g) In the annexation ordinance, the larger municipality
27 shall adopt, for application in the area zoned by the smaller

1 municipality, the identical comprehensive zoning ordinance that
2 the smaller municipality applied to the area at the time of the
3 election. Any attempted annexation of the smaller municipality
4 that does not include the adoption of that comprehensive zoning
5 ordinance is void. That comprehensive zoning ordinance may not be
6 repealed or amended for a period of 10 years unless the written
7 consent of the landowners who own at least two-thirds of the surface
8 land of the annexed smaller municipality is obtained.

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

14 (i) On the annexation, all claims, fines, debts, or taxes
15 due and payable to the smaller municipality become due and payable
16 to the larger municipality and shall be collected by it. If taxes
17 for the year in which the annexation occurs have been assessed in
18 the smaller municipality before the annexation, the amounts
19 assessed remain as the amounts due and payable from the inhabitants
20 of the smaller municipality for that year.

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

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

1 SUBCHAPTER C-3. ANNEXATION OF AREA ON REQUEST OF OWNERS: TIER 2

2 MUNICIPALITIES

3 Sec. 43.067. APPLICABILITY. This subchapter applies only
4 to a tier 2 municipality.

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

8 Sec. 43.0672. WRITTEN AGREEMENT REGARDING SERVICES.

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

13 (b) The agreement must include:

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

16 (2) a schedule that includes the period within which
17 the municipality will provide each service that is not provided on
18 the effective date of the annexation.

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

21 Sec. 43.0673. PUBLIC HEARINGS. (a) Before a municipality
22 may adopt an ordinance annexing an area under this section, the
23 governing body of the municipality must conduct at least two public
24 hearings.

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

27 (c) During the first public hearing, the governing body must

1 provide persons interested in the annexation the opportunity to be
2 heard. During the final public hearing, the governing body may
3 adopt an ordinance annexing the area.

4 (d) The municipality must post notice of the hearings on the
5 municipality's Internet website if the municipality has an Internet
6 website and publish notice of the hearings in a newspaper of general
7 circulation in the municipality and in the area proposed for
8 annexation. The notice for each hearing must be published at least
9 once on or after the 20th day but before the 10th day before the date
10 of the hearing. The notice for each hearing must be posted on the
11 municipality's Internet website on or after the 20th day but before
12 the 10th day before the date of the hearing and must remain posted
13 until the date of the hearing.

14 SUBCHAPTER C-4. ANNEXATION OF AREAS WITH POPULATION OF LESS THAN
15 200: TIER 2 MUNICIPALITIES

16 Sec. 43.068. APPLICABILITY. This subchapter applies only
17 to a tier 2 municipality.

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

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

24 (2) if the registered voters of the area do not own
25 more than 50 percent of the land in the area, the petition described
26 by Subdivision (1) is signed by more than 50 percent of the owners
27 of land in the area.

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

4 (1) a statement of the municipality's intent to annex
5 the area;

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

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

10 (A) police protection;

11 (B) fire protection;

12 (C) emergency medical services;

13 (D) solid waste collection;

14 (E) operation and maintenance of water and
15 wastewater facilities in the annexed area;

16 (F) operation and maintenance of roads and
17 streets, including road and street lighting;

18 (G) operation and maintenance of parks,
19 playgrounds, and swimming pools; and

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

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

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

27 Sec. 43.0683. NOTICE OF PROPOSED ANNEXATION. Not later

1 than the seventh day after the date the governing body of the
2 municipality adopts the resolution under Section 43.0682, the
3 municipality must mail to each resident and property owner in the
4 area proposed to be annexed notification of the proposed annexation
5 that includes:

6 (1) notice of the public hearing required by Section
7 43.0684;

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

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

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

17 Sec. 43.0685. PETITION. (a) Except as provided by
18 Subsection (a-1), the petition required by Section 43.0681 may be
19 signed only by a registered voter of the area proposed to be
20 annexed.

21 (a-1) If the registered voters of the area proposed to be
22 annexed do not own more than 50 percent of the land in the area, the
23 petition required by Section 43.0681 may also be signed by the
24 owners of land in the area that are not registered voters.
25 Notwithstanding Subsection (e), the municipality may provide for an
26 owner of land in the area that is not a resident of the area to sign
27 the petition electronically.

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

4 (b) The municipality may collect signatures on the petition
5 only during the period beginning on the 31st day after the date the
6 governing body of the municipality adopts the resolution under
7 Section 43.0682 and ending on the 180th day after the date the
8 resolution is adopted.

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

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

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

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

16 Sec. 43.0686. RESULTS OF PETITION. (a) When the petition
17 period prescribed by Section 43.0685 ends, the petition shall be
18 verified by the municipal secretary or other person responsible for
19 verifying signatures. The municipality must notify the residents
20 and property owners of the area proposed to be annexed of the
21 results of the petition.

22 (b) If the municipality does not obtain the number of
23 signatures on the petition required to annex the area, the
24 municipality may not annex the area and may not adopt another
25 resolution under Section 43.0682 to annex the area until the second
26 anniversary of the date the petition period ended.

27 (c) If the municipality obtains the number of signatures on

1 the petition required to annex the area, the municipality may annex
2 the area after:

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

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

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

9 Sec. 43.0687. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON
10 PETITION. If a petition protesting the annexation of an area under
11 this subchapter is signed by a number of registered voters of the
12 municipality proposing the annexation equal to at least 50 percent
13 of the number of voters who voted in the most recent municipal
14 election and is received by the secretary of the municipality
15 before the date the petition period prescribed by Section 43.0685
16 ends, the municipality may not complete the annexation of the area
17 without approval of a majority of the voters of the municipality
18 voting at an election called and held for that purpose.

19 Sec. 43.0688. RETALIATION FOR ANNEXATION DISAPPROVAL
20 PROHIBITED. (a) The disapproval of the proposed annexation of an
21 area under this subchapter does not affect any existing legal
22 obligation of the municipality proposing the annexation to continue
23 to provide governmental services in the area, including water or
24 wastewater services.

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

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

3 Sec. 43.069. APPLICABILITY. This subchapter applies only
4 to a tier 2 municipality.

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

8 (1) the municipality holds an election in the area
9 proposed to be annexed at which the qualified voters of the area may
10 vote on the question of the annexation and a majority of the votes
11 received at the election approve the annexation; and

12 (2) if the registered voters of the area do not own
13 more than 50 percent of the land in the area, the municipality
14 obtains consent to annex the area through a petition signed by more
15 than 50 percent of the owners of land in the area.

16 Sec. 43.0692. RESOLUTION. The governing body of the
17 municipality that proposes to annex an area under this subchapter
18 must adopt a resolution that includes:

19 (1) a statement of the municipality's intent to annex
20 the area;

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

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

25 (A) police protection;

26 (B) fire protection;

27 (C) emergency medical services;

1 (D) solid waste collection;

2 (E) operation and maintenance of water and
3 wastewater facilities in the annexed area;

4 (F) operation and maintenance of roads and
5 streets, including road and street lighting;

6 (G) operation and maintenance of parks,
7 playgrounds, and swimming pools; and

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

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

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

15 Sec. 43.0693. NOTICE OF PROPOSED ANNEXATION. Not later
16 than the seventh day after the date the governing body of the
17 municipality adopts the resolution under Section 43.0692, the
18 municipality must mail to each property owner in the area proposed
19 to be annexed notification of the proposed annexation that
20 includes:

21 (1) notice of the public hearings required by Section
22 43.0694;

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

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

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

5 (b) The governing body must conduct at least one additional
6 public hearing not earlier than the 31st day and not later than the
7 90th day after the date the governing body adopts a resolution under
8 Section 43.0692.

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

15 (b) The municipality must obtain the consent required by
16 this section through the petition process prescribed by Sections
17 43.0685(b)-(e), and the petition must be verified in the manner
18 provided by Section 43.0686(a).

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

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

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

27 (2) if the consent of the owners of land in the area is

1 required under Section 43.0695, the 78th day after the date the
2 petition period to obtain that consent ends.

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

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

9 Sec. 43.0697. RESULTS OF ELECTION AND PETITION.

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

14 (b) If at the election held under this subchapter a majority
15 of qualified voters do not approve the proposed annexation, or if
16 the municipality is required to petition owners of land in the area
17 under Section 43.0695 and does not obtain the required number of
18 signatures, the municipality may not annex the area and may not
19 adopt another resolution under Section 43.0692 to annex the area
20 until the second anniversary of the date of the adoption of the
21 resolution.

22 (c) If at the election held under this subchapter a majority
23 of qualified voters approve the proposed annexation, and if the
24 municipality, as applicable, obtains the required number of
25 petition signatures under Section 43.0695, the municipality may
26 annex the area after:

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

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

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

6 Sec. 43.0698. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON
7 PETITION. If a petition protesting the annexation of an area under
8 this subchapter is signed by a number of registered voters of the
9 municipality proposing the annexation equal to at least 50 percent
10 of the number of voters who voted in the most recent municipal
11 election and is received by the secretary of the municipality
12 before the date the election required by this subchapter is held,
13 the municipality may not complete the annexation of the area
14 without approval of a majority of the voters of the municipality
15 voting at a separate election called and held for that purpose.

16 Sec. 43.0699. RETALIATION FOR ANNEXATION DISAPPROVAL
17 PROHIBITED. (a) The disapproval of the proposed annexation of an
18 area under this subchapter does not affect any existing legal
19 obligation of the municipality proposing the annexation to continue
20 to provide governmental services in the area, including water or
21 wastewater services.

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

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

27 (b) If a municipality with a population of less than 1.5

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

19 (c) At the time notice of the municipality's intent to annex
20 the land within the district is first given ~~[published]~~ in
21 accordance with Section 43.052, 43.0683, or 43.0693, as applicable,
22 the municipality shall proceed to initiate and complete a report
23 for each developer conducted in accordance with the format approved
24 by the Texas ~~[Natural Resource Conservation]~~ Commission on
25 Environmental Quality for audits. In the event the municipality is
26 unable to complete the report prior to the effective date of the
27 annexation as a result of the developer's failure to provide

1 information to the municipality which cannot be obtained from other
2 sources, the municipality shall obtain from the district the
3 estimated costs of each project previously undertaken by a
4 developer which are eligible for reimbursement. The amount of such
5 costs, as estimated by the district, shall be escrowed by the
6 municipality for the benefit of the persons entitled to receive
7 payment in an insured interest-bearing account with a financial
8 institution authorized to do business in the state. To compensate
9 the developer for the municipality's use of the infrastructure
10 facilities pending the determination of the reimbursement amount
11 [~~or federal preclearance~~], all interest accrued on the escrowed
12 funds shall be paid to the developer whether or not the annexation
13 is valid. Upon placement of the funds in the escrow account, the
14 annexation may become effective. In the event a municipality
15 timely escrows all estimated reimbursable amounts as required by
16 this subsection and all such amounts, determined to be owed,
17 including interest, are subsequently disbursed to the developer
18 within five days of final determination in immediately available
19 funds as required by this section, no penalties or interest shall
20 accrue during the pendency of the escrow. Either the municipality
21 or developer may, by written notice to the other party, require
22 disputes regarding the amount owed under this section to be subject
23 to nonbinding arbitration in accordance with the rules of the
24 American Arbitration Association.

25 SECTION 28. Section [43.0751](#), Local Government Code, is
26 amended by amending Subsection (h) and adding Subsections (s) and
27 (t) to read as follows:

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

17 (s) Notwithstanding any other law and except as provided by
18 Subsection (t), the procedures prescribed by Subchapters C-3, C-4,
19 and C-5 do not apply to the annexation of an area under this
20 section. Except as provided by Subsections (h) and (t), a
21 municipality shall follow the procedures established under the
22 strategic partnership agreement for full-purpose annexation of an
23 area under this section.

24 (t) Notwithstanding the provisions of this section, a
25 municipality subject to this subsection must annex an area
26 described by Subdivision (4)(B) in compliance with Subchapter C-3,
27 C-4, or C-5. This subsection applies only to a municipality that:

1 (1) has a population of less than 850,000;

2 (2) is served by a municipally owned electric utility
3 with 400,000 or more customers;

4 (3) is wholly or partly located in a tier 2 county; and

5 (4) is subject to a strategic partnership agreement:

6 (A) executed on or after September 1, 2009; and

7 (B) for which an area proposed for annexation
8 will be annexed before January 1, 2021.

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

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

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

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

18 (1) a tier 1 municipality; and

19 (2) if there are no owners other than the municipality
20 or residents of the area, a tier 2 municipality.

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

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

26 (1) a tier 1 municipality; and

27 (2) if there are no owners other than the municipality

1 or residents of the area, a tier 2 municipality.

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

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

9 (1) consents to the annexation; and

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

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

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

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

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

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

26 (a) This section applies only to:

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

1 (A) has a population of 1,066-1,067;
2 (B) [~~and~~] is located in a county with a
3 population of 85,000 or more; and
4 (C) [~~that~~] is not adjacent to a county with a
5 population of 2 million or more; [7] or

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

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

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

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

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

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

27 (c) The provisions of this subchapter, other than Sections

1 43.1211 and ~~[Section]~~ 43.136, do not affect the authority of a
2 municipality to annex an area for limited purposes under Section
3 43.136 or any other statute granting the authority to annex for
4 limited purposes.

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

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

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

16 (a) A majority of the qualified voters of an annexed area
17 may petition the governing body of the municipality to disannex the
18 area if the municipality fails or refuses to provide services or to
19 cause services to be provided to the area:

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

23 (2) if the municipality is a tier 2 municipality,
24 within the period specified by the written agreement under Section
25 43.0672 or the resolution under Section 43.0682 or 43.0692, as
26 applicable.

27 (b) If the governing body fails or refuses to disannex the

1 area within 60 days after the date of the receipt of the petition,
2 any one or more of the signers of the petition may bring a cause of
3 action in a district court of the county in which the area is
4 principally located to request that the area be disannexed. On the
5 filing of an answer by the governing body, and on application of
6 either party, the case shall be advanced and heard without further
7 delay in accordance with the Texas Rules of Civil Procedure. The
8 district court shall enter an order disannexing the area if the
9 court finds that a valid petition was filed with the municipality
10 and that the municipality failed to:

- 11 (1) perform its obligations in accordance with:
12 (A) the service plan under Section 43.056;
13 (B) the written agreement entered into under
14 Section 43.0672; or
15 (C) the resolution adopted under Section 43.0682
16 or 43.0692, as applicable; or

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

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

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

24 (b) On receipt of the district's petition, the governing
25 body of the municipality shall enter into negotiations with the
26 district for an agreement to alter the status of annexation that
27 must:

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

4 (2) provide that, at the expiration of the period, the
5 district's annexation status will automatically revert to
6 full-purpose annexation without following procedures provided by
7 Sections 43.014 and 43.052 [~~43.051~~] through 43.055 or any other
8 procedural requirement for annexation not in effect on January 1,
9 1995; and

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

12 (A) facilities constructed by the municipality
13 that are in or that serve the district;

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

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

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

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

27 SECTION 42. Subchapter Z, Chapter 43, Local Government

1 Code, is amended by adding Section 43.9051 to read as follows:

2 Sec. 43.9051. EFFECT OF ANNEXATION ON PUBLIC ENTITIES OR
3 POLITICAL SUBDIVISIONS. (a) In this section, "public entity"
4 includes a county, fire protection service provider, including a
5 volunteer fire department, emergency medical services provider,
6 including a volunteer emergency medical services provider, or
7 special district, as that term is defined by Section 43.052.

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

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

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

- 22 (1) the area proposed for annexation;
23 (2) any financial impact on the public entity or
24 political subdivision resulting from the annexation, including any
25 changes in the public entity's or political subdivision's revenues
26 or maintenance and operation costs; and
27 (3) any proposal the municipality has to abate,

1 reduce, or limit any financial impact on the public entity or
2 political subdivision.

3 (e) The municipality may not proceed with the annexation
4 unless the municipality provides the required notice under this
5 section.

6 SECTION 43. Section 8395.151, Special District Local Laws
7 Code, is amended to read as follows:

8 Sec. 8395.151. ANNEXATION BY MUNICIPALITY. (a) The
9 governing body of a [A] municipality that plans to [may] annex all
10 or part of the district first must adopt a resolution of intention
11 to annex all or part of the district and transmit that resolution to
12 the district and the following districts:

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

19 and

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

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

26 (c) The municipality may annex the territory described by
27 the resolution only if a majority of the total number of voters

1 voting in all of the districts' elections vote in favor of
2 authorizing the annexation.

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

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

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

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

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

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

16 SECTION 44. Section 8396.151, Special District Local Laws
17 Code, is amended to read as follows:

18 Sec. 8396.151. ANNEXATION BY MUNICIPALITY. (a) The
19 governing body of a [A] municipality that plans to [may] annex all
20 or part of the district first must adopt a resolution of intention
21 to annex all or part of the district and transmit that resolution to
22 the district and the following districts:

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

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

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

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

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

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

2 and

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

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

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

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

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

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

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

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

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

26 SECTION 45. Section 8397.151, Special District Local Laws
27 Code, is amended to read as follows:

1 Sec. 8397.151. ANNEXATION BY MUNICIPALITY. (a) The
2 governing body of a [A] municipality that plans to [may] annex all
3 or part of the district first must adopt a resolution of intention
4 to annex all or part of the district and transmit that resolution to
5 the district and the following districts:

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

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

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

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

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

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

12 and

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

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

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

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

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

1 ~~[(A) provide service to the proposed development~~
2 ~~within the district;~~

3 ~~[(B) accomplish the purposes for which the~~
4 ~~district was created; and~~

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

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

9 SECTION 46. Section 8398.151, Special District Local Laws
10 Code, is amended to read as follows:

11 Sec. 8398.151. ANNEXATION BY MUNICIPALITY. (a) The
12 governing body of a [A] municipality that plans to [may] annex all
13 or part of the district first must adopt a resolution of intention
14 to annex all or part of the district and transmit that resolution to
15 the district 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. 7;

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

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

22 and

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

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

1 on the question of whether the annexation should be authorized.

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

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

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

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

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

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

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

19 SECTION 47. Section 8399.151, Special District Local Laws
20 Code, is amended to read as follows:

21 Sec. 8399.151. ANNEXATION BY MUNICIPALITY. (a) The
22 governing body of a [A] municipality that plans to [may] annex all
23 or part of the district first must adopt a resolution of intention
24 to annex all or part of the district and transmit that resolution to
25 the district and the following districts:

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

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

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

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

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

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

5 and

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

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

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

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

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

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

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

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

27 ~~[(2) the 20th anniversary of the date the district was~~

1 ~~confirmed~~].

2 SECTION 48. Section 8400.151, Special District Local Laws
3 Code, is amended to read as follows:

4 Sec. 8400.151. ANNEXATION BY MUNICIPALITY. (a) The
5 governing body of a [A] municipality that plans to [may] annex all
6 or part of the district first must adopt a resolution of intention
7 to annex all or part of the district and transmit that resolution to
8 the district and the following districts:

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

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

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

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

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

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

15 and

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

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

22 (c) The municipality may annex the territory described in
23 the resolution only if a majority of the total number of voters
24 voting in all of the districts' elections vote in favor of
25 authorizing the annexation.

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

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

4 ~~[(A) provide service to the proposed development~~
5 ~~within the district;~~

6 ~~[(B) accomplish the purposes for which the~~
7 ~~district was created; and~~

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

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

12 SECTION 49. Section 8401.151, Special District Local Laws
13 Code, is amended to read as follows:

14 Sec. 8401.151. 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. 3;

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

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

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

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

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

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 in
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 50. Section 8489.109, Special District Local Laws
23 Code, is amended to read as follows:

24 Sec. 8489.109. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT.
25 For the purposes of Section 43.003(2) [~~43.021(2)~~], Local Government
26 Code, or other law, including a municipal charter or ordinance
27 relating to annexation, an area adjacent to the district or any new

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

5 SECTION 51. Section 9038.110, Special District Local Laws
6 Code, is amended to read as follows:

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

15 SECTION 52. Section 9039.110, Special District Local Laws
16 Code, is amended to read as follows:

17 Sec. 9039.110. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT.
18 For the purposes of Section 43.003(2) [~~43.021(2)~~], Local Government
19 Code, or other law, including a municipal charter or ordinance
20 relating to annexation, an area adjacent to the district or any new
21 district created by the division of the district is considered
22 adjacent to a municipality in whose corporate limits or
23 extraterritorial jurisdiction any of the land in the area described
24 by Section 2 of the Act creating this chapter is located.

25 SECTION 53. Subtitle I, Title 6, Special District Local
26 Laws Code, is amended by adding Chapter 9073 to read as follows:

1 CHAPTER 9073. TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT
2 NO. 19; ANNEXATION

3 Sec. 9073.001. DEFINITION. In this chapter, "district"
4 means the Travis County Water Control and Improvement District
5 No. 19.

6 Sec. 9073.002. ANNEXATION BY MUNICIPALITY. (a) The
7 governing body of a municipality that plans to annex all or part of
8 the district first must adopt a resolution of intention to annex all
9 or part of the district and transmit that resolution to the district
10 and the following districts:

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

17 and

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

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

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

27 (d) The municipality seeking annexation shall pay the costs

1 of the elections held under this section.

2 SECTION 54. (a) Sections 43.036, 43.0546, 43.056(d) and
3 (h), 43.0565, 43.0567, 43.1025(e) and (g), and 43.906, Local
4 Government Code, are repealed.

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

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

9 (d) The repeal of Section 43.036, Local Government Code, by
10 this Act does not affect a boundary change agreement entered into
11 under that section, the release and transfer of area under a
12 boundary change agreement entered into under that section, or the
13 requirements related to a boundary change agreement entered into
14 under that section.

15 (e) The repeal of Sections 43.056(d), (h), and (p) and
16 Sections 43.0565 and 43.0567, Local Government Code, by this Act
17 and the change in law made by this Act to Sections 43.056(l) and
18 (n), Local Government Code, do not affect a right, requirement,
19 limitation, or remedy provided for under those sections and
20 applicable in an area annexed by a municipality for which the first
21 hearing notice required by Section 43.0561 or 43.063, Local
22 Government Code, as applicable, was published before December 1,
23 2017.

24 SECTION 55. The changes in law made by this Act apply to the
25 annexation of an area subject to a development agreement entered
26 into by a municipality with a population of more than 227,000 and
27 less than 236,000, according to the 2010 federal decennial census,

1 under Section 212.172, Local Government Code, before the effective
2 date of this Act that is initiated on or after the expiration date
3 provided for in the agreement. The annexation of an area subject to
4 the agreement that is initiated before the expiration date of the
5 agreement as the result of a termination of the agreement is
6 governed by the law in effect on January 1, 2017, and the former law
7 is continued in effect for that purpose.

8 SECTION 56. The changes in law made by this Act apply only
9 to the annexation of an area that is not final on the effective date
10 of this Act. An annexation of an area that was final before the
11 effective date of this Act is governed by those portions of Chapter
12 43, Local Government Code, that relate to post-annexation
13 procedures and requirements in effect immediately before the
14 effective date of this Act, and that law is continued in effect for
15 that purpose.

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