

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 500,000.

(3) "Tier 2 county" means a county with a population of 500,000 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 not
27 annex for full or limited purposes any part of the area located

1 within one-quarter mile of the boundaries of a military base in
2 which an active training program is conducted unless the
3 municipality and the base authorities have entered into a
4 comprehensive written agreement that establishes provisions to
5 maintain the compatibility of the municipality's regulation of land
6 in the area with the military base operations following the
7 annexation.

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

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

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

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

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

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

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

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

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

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

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

26 (2) appraised for ad valorem tax purposes as land for
27 agricultural or wildlife management use under Subchapter C or D,

1 Chapter 23, Tax Code, or as timber land under Subchapter E of that
2 chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 SUBCHAPTER C. ANNEXATION PROCEDURE FOR AREAS ANNEXED UNDER

2 MUNICIPAL ANNEXATION PLAN: TIER 1 MUNICIPALITIES

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

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

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

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

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

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

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

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

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

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

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

1 (5) the area is annexed under Section 43.012, 43.013,
2 43.015 [~~43.026, 43.027~~], or 43.029 [~~, or 43.031~~];

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

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

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

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

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

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

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

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

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

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

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

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

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

27 (5) may require the parties to participate in

1 mediation; and

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

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

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

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

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

17 (a) After holding the hearings as provided by Section
18 43.0561:

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

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

1 the provision of services to the area in lieu of annexation under
2 Section 43.0751.

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

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

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

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

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

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

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

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

26 (b) Unless otherwise specifically provided by this chapter,
27 this subchapter does not apply to an area that is proposed for

1 annexation by a tier 2 municipality.

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

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

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

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

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

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

23 SUBCHAPTER C-2. GENERAL ANNEXATION AUTHORITY AND PROCEDURES: TIER
24 2 MUNICIPALITIES

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

27 Sec. 43.0661. PROVISION OF CERTAIN SERVICES TO ANNEXED

1 AREA. (a) This section applies only to a municipality that
2 includes solid waste collection services in the list of services
3 that will be provided in the area proposed for annexation on or
4 before the second anniversary of the effective date of the
5 annexation of the area under a written agreement under Section
6 43.0672 or a resolution under Section 43.0682 or 43.0692.

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

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

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

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

18 Sec. 43.0663. EFFECT ON OTHER LAW. Subchapters C-3 through
19 C-5 do not affect the procedures described by Section [397.005](#) or
20 [397.006](#) applicable to a defense community as defined by Section
21 [397.001](#).

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

26 Sec. 43.0662 [~~43.030~~]. AUTHORITY OF MUNICIPALITY WITH
27 POPULATION OF 74,000 TO 99,700 IN URBAN COUNTY TO ANNEX SMALL,

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

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

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

25 (d) Within 10 days after the date on which the election is
26 held, the governing body of the smaller municipality shall canvass
27 the election returns and by resolution shall declare the results of

1 the election. If a majority of the votes received is in favor of the
2 annexation, the secretary of the smaller municipality or other
3 appropriate municipal official shall forward by certified mail to
4 the secretary of the larger municipality a certified copy of the
5 resolution.

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

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

27 (g) In the annexation ordinance, the larger municipality

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

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

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

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

25 SECTION 26. Chapter 43, Local Government Code, is amended
26 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. (a)
9 The governing body of the municipality that elects to annex an area
10 under this subchapter must first negotiate and enter into a written
11 agreement with the owners of land in the area for the provision of
12 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 municipality
20 obtains consent to annex the area through a petition signed by more
21 than 50 percent of the registered voters of the area.

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

25 (1) a statement of the municipality's intent to annex
26 the area;

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

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

4 (A) police protection;

5 (B) fire protection;

6 (C) emergency medical services;

7 (D) solid waste collection;

8 (E) operation and maintenance of water and
9 wastewater facilities in the annexed area;

10 (F) operation and maintenance of roads and
11 streets, including road and street lighting;

12 (G) operation and maintenance of parks,
13 playgrounds, and swimming pools; and

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

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

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

21 Sec. 43.0683. NOTICE OF PROPOSED ANNEXATION. Not later
22 than the seventh day after the date the governing body of the
23 municipality adopts the resolution under Section 43.0682, the
24 municipality must mail to each resident in the area proposed to be
25 annexed notification of the proposed annexation that includes:

26 (1) notice of the public hearing required by Section
27 43.0684;

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

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

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

10 Sec. 43.0685. PETITION. (a) The petition required by
11 Section 43.0681 may be signed only by a registered voter of the area
12 proposed to be annexed.

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

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

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

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

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

25 Sec. 43.0686. RESULTS OF PETITION. (a) When the petition
26 period prescribed by Section 43.0685 ends, the petition shall be
27 verified by the municipal secretary or other person responsible for

1 verifying signatures. The municipality must notify the residents
2 of the area proposed to be annexed of the results of the petition.

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

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

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

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

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

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

27 Sec. 43.0688. RETALIATION FOR ANNEXATION DISAPPROVAL

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

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

9 SUBCHAPTER C-5. ANNEXATION OF AREAS WITH POPULATION OF AT LEAST
10 200: TIER 2 MUNICIPALITIES

11 Sec. 43.069. APPLICABILITY. This subchapter applies only
12 to a tier 2 municipality.

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

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

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

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

27 (1) a statement of the municipality's intent to annex

1 the area;

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

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

6 (A) police protection;

7 (B) fire protection;

8 (C) emergency medical services;

9 (D) solid waste collection;

10 (E) operation and maintenance of water and
11 wastewater facilities in the annexed area;

12 (F) operation and maintenance of roads and
13 streets, including road and street lighting;

14 (G) operation and maintenance of parks,
15 playgrounds, and swimming pools; and

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

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

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

23 Sec. 43.0693. NOTICE OF PROPOSED ANNEXATION. Not later
24 than the seventh day after the date the governing body of the
25 municipality adopts the resolution under Section 43.0692, the
26 municipality must mail to each property owner in the area proposed
27 to be annexed notification of the proposed annexation that

1 includes:

2 (1) notice of the public hearings required by Section
3 43.0694;

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

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

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

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

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

23 (b) The municipality must obtain the consent required by
24 this section through the petition process prescribed by Section
25 43.0685, and the petition must be verified in the manner provided by
26 Section 43.0686(a).

27 (c) Notwithstanding Section 43.0685(e), the municipality

1 may provide for an owner of land in the area that is not a resident
2 of the area to sign the petition electronically.

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

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

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

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

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

17 Sec. 43.0697. RESULTS OF ELECTION AND PETITION. (a)
18 Following an election held under this subchapter, the municipality
19 must notify the residents of the area proposed to be annexed of the
20 results of the election and, if applicable, of the petition
21 required by Section 43.0695.

22 (b) If at the election held under this subchapter a majority
23 of qualified voters do not approve the proposed annexation, or if
24 the municipality is required to petition owners of land in the area
25 under Section 43.0695 and does not obtain the required number of
26 signatures, the municipality may not annex the area and may not
27 adopt another resolution under Section 43.0692 to annex the area

1 until the first anniversary of the date of the adoption of the
2 resolution.

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

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

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

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

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

24 Sec. 43.0699. RETALIATION FOR ANNEXATION DISAPPROVAL
25 PROHIBITED. (a) The disapproval of the proposed annexation of an
26 area under this subchapter does not affect any existing legal
27 obligation of the municipality proposing the annexation to continue

1 to provide governmental services in the area, including water or
2 wastewater services.

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

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

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

27 (c) At the time notice of the municipality's intent to annex

1 the land within the district is first given [~~published~~] in
2 accordance with Section 43.052, 43.0683, or 43.0693, as applicable,
3 the municipality shall proceed to initiate and complete a report
4 for each developer conducted in accordance with the format approved
5 by the Texas [~~Natural Resource Conservation~~] Commission on
6 Environmental Quality for audits. In the event the municipality is
7 unable to complete the report prior to the effective date of the
8 annexation as a result of the developer's failure to provide
9 information to the municipality which cannot be obtained from other
10 sources, the municipality shall obtain from the district the
11 estimated costs of each project previously undertaken by a
12 developer which are eligible for reimbursement. The amount of such
13 costs, as estimated by the district, shall be escrowed by the
14 municipality for the benefit of the persons entitled to receive
15 payment in an insured interest-bearing account with a financial
16 institution authorized to do business in the state. To compensate
17 the developer for the municipality's use of the infrastructure
18 facilities pending the determination of the reimbursement amount
19 [~~or federal preclearance~~], all interest accrued on the escrowed
20 funds shall be paid to the developer whether or not the annexation
21 is valid. Upon placement of the funds in the escrow account, the
22 annexation may become effective. In the event a municipality
23 timely escrows all estimated reimbursable amounts as required by
24 this subsection and all such amounts, determined to be owed,
25 including interest, are subsequently disbursed to the developer
26 within five days of final determination in immediately available
27 funds as required by this section, no penalties or interest shall

1 accrue during the pendency of the escrow. Either the municipality
2 or developer may, by written notice to the other party, require
3 disputes regarding the amount owed under this section to be subject
4 to nonbinding arbitration in accordance with the rules of the
5 American Arbitration Association.

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

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

25 (s) Notwithstanding any other law and except as provided by
26 Subsection (t), the procedures prescribed by Subchapters C-3, C-4,
27 and C-5 do not apply to the annexation of an area under this

1 section. Except as provided by Subsections (h) and (t), a
2 municipality shall follow the procedures established under the
3 strategic partnership agreement for full-purpose annexation of an
4 area under this section.

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

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

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

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

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

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

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

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

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

21 SECTION 30. Section 43.101(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 31. Section 43.102(c), Local Government Code, is
3 amended to read as follows:

4 (c) The area may be annexed without the consent of any ~~the~~
5 owners or residents of the area under the procedures applicable to a
6 tier 1 municipality by:

7 (1) a tier 1 municipality; and

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

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

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

17 (1) consents to the annexation; and

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

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

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

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

26 (a) A general-law tier 1 municipality with a population of
27 500 or more may annex, by ordinance and without the consent of any

1 person, the part of a street, highway, alley, or other public or
2 private way, including a railway line, spur, or roadbed, that is
3 adjacent and runs parallel to the boundaries of the municipality.

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

7 (a) This section applies only to:

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

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

10 (B) [and] is located in a county with a
11 population of 85,000 or more; and

12 (C) [that] is not adjacent to a county with a
13 population of 2 million or more; [7] or

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

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

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

22 Sec. 43.1055. ANNEXATION OF ROADS AND RIGHTS-OF-WAY IN
23 CERTAIN LARGE COUNTIES. Notwithstanding any other law, a tier 2
24 municipality may by ordinance annex a road or the right-of-way of a
25 road on request of the owner of the road or right-of-way or the
26 governing body of the political subdivision that maintains the road
27 or right-of-way under the procedures applicable to a tier 1

1 municipality.

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

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

8 (c) The provisions of this subchapter, other than Sections
9 43.1211 and ~~[Section]~~ 43.136, do not affect the authority of a
10 municipality to annex an area for limited purposes under Section
11 43.136 or any other statute granting the authority to annex for
12 limited purposes.

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

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

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

24 (a) A majority of the qualified voters of an annexed area
25 may petition the governing body of the municipality to disannex the
26 area if the municipality fails or refuses to provide services or to
27 cause services to be provided to the area:

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

4 (2) if the municipality is a tier 2 municipality,
5 within the period specified by the written agreement under Section
6 43.0672 or the resolution under Section 43.0682 or 43.0692, as
7 applicable.

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

- 19 (1) perform its obligations in accordance with:
20 (A) the service plan under Section 43.056;
21 (B) the written agreement entered into under
22 Section 43.0672; or
23 (C) the resolution adopted under Section 43.0682
24 or 43.0692, as applicable; or

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

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

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

5 (b) On receipt of the district's petition, the governing
6 body of the municipality shall enter into negotiations with the
7 district for an agreement to alter the status of annexation that
8 must:

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

12 (2) provide that, at the expiration of the period, the
13 district's annexation status will automatically revert to
14 full-purpose annexation without following procedures provided by
15 Sections 43.014 and 43.052 [~~43.051~~] through 43.055 or any other
16 procedural requirement for annexation not in effect on January 1,
17 1995; and

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

20 (A) facilities constructed by the municipality
21 that are in or that serve the district;

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

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

27 SECTION 41. Section 43.905(a), Local Government Code, is

1 amended to read as follows:

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

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

10 Sec. 43.9051. EFFECT OF ANNEXATION ON PUBLIC ENTITIES OR
11 POLITICAL SUBDIVISIONS. (a) In this section, "public entity"
12 includes a county, fire protection service provider, including a
13 volunteer fire department, emergency medical services provider,
14 including a volunteer emergency medical services provider, or
15 special district, as that term is defined by Section 43.052.

16 (b) A municipality that proposes to annex an area shall
17 provide written notice of the proposed annexation within the period
18 prescribed for providing the notice of the first hearing under
19 Section 43.0561, 43.063, 43.0673, 43.0683, or 43.0693, as
20 applicable, to each public entity that is located in or provides
21 services to the area proposed for annexation.

22 (c) A municipality that proposes to enter into a strategic
23 partnership agreement under Section 43.0751 shall provide written
24 notice of the proposed agreement within the period prescribed for
25 providing the notice of the first hearing under Section 43.0751 to
26 each political subdivision that is located in or provides services
27 to the area subject to the proposed agreement.

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

3 (1) the area proposed for annexation;

4 (2) any financial impact on the public entity or
5 political subdivision resulting from the annexation, including any
6 changes in the public entity's or political subdivision's revenues
7 or maintenance and operation costs; and

8 (3) any proposal the municipality has to abate,
9 reduce, or limit any financial impact on the public entity or
10 political subdivision.

11 (e) The municipality may not proceed with the annexation
12 unless the municipality provides the required notice under this
13 section.

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

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

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

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

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

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

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

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

27 and

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

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

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

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

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

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

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

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

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

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

26 Sec. 8396.151. ANNEXATION BY MUNICIPALITY. (a) The
27 governing body of a [A] municipality that plans to [may] annex all

1 or part of the district first must adopt a resolution of intention
2 to annex all or part of the district and transmit that resolution to
3 the district and the following districts:

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

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

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

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

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

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

10 and

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

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

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

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

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

26 [~~(A) provide service to the proposed development~~
27 ~~within the district,~~

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

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

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

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

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

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

20 and

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

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

27 (c) The municipality may annex the territory described in

1 the resolution only if a majority of the total number of voters
2 voting in all of the districts' elections vote in favor of
3 authorizing the annexation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 and

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

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

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

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

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

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

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

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

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

27 SECTION 47. Section [8399.151](#), Special District Local Laws

1 Code, is amended to read as follows:

2 Sec. 8399.151. ANNEXATION BY MUNICIPALITY. (a) The
3 governing body of a [A] municipality that plans to [may] annex all
4 or part of the district first must adopt a resolution of intention
5 to annex all or part of the district and transmit that resolution to
6 the district and the following districts:

- 7 (1) Travis County Municipal Utility District No. 3;
8 (2) Travis County Municipal Utility District No. 4;
9 (3) Travis County Municipal Utility District No. 5;
10 (4) Travis County Municipal Utility District No. 6;
11 (5) Travis County Municipal Utility District No. 8;
12 (6) Travis County Municipal Utility District No. 9;

13 and

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

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

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

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

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

1 ~~necessary and adequate to:~~

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

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

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

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

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

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

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

23 and

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

26 (b) On receipt of a resolution described by Subsection (a),
27 the district and each of the districts listed in Subsection (a)

1 shall call an election to be held on the next uniform election date
2 on the question of whether the annexation should be authorized.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 and

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

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

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

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

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

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

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

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

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

3 SECTION 50. Section [8489.109](#), Special District Local Laws
4 Code, is amended to read as follows:

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

13 SECTION 51. Section [9038.110](#), Special District Local Laws
14 Code, is amended to read as follows:

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

23 SECTION 52. Section [9039.110](#), Special District Local Laws
24 Code, is amended to read as follows:

25 Sec. 9039.110. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT.
26 For the purposes of Section [43.003\(2\)](#) [~~[43.021\(2\)](#)~~], Local Government
27 Code, or other law, including a municipal charter or ordinance

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

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

8 CHAPTER 9073. TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT
9 NO. 19; ANNEXATION

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

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

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

24 and

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

26 (b) On receipt of a resolution described by Subsection (a),
27 the district and each of the districts listed in Subsection (a)

1 shall call an election to be held on the next uniform election date
2 on the question of whether the annexation should be authorized.

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

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

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

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

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

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

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

1 hearing notice required by Section [43.0561](#) or [43.063](#), Local
2 Government Code, as applicable, was published before December 1,
3 2017.

4 SECTION 55. The changes in law made by this Act apply to the
5 annexation of an area subject to a development agreement entered
6 into by a municipality with a population of more than 227,000 and
7 less than 236,000, according to the 2010 federal decennial census,
8 under Section [212.172](#), Local Government Code, before the effective
9 date of this Act that is initiated on or after the expiration date
10 provided for in the agreement. The annexation of an area subject to
11 the agreement that is initiated before the expiration date of the
12 agreement as the result of a termination of the agreement is
13 governed by the law in effect on January 1, 2017, and the former law
14 is continued in effect for that purpose.

15 SECTION 56. The changes in law made by this Act apply only
16 to the annexation of an area that is not final on the effective date
17 of this Act. An annexation of an area that was final before the
18 effective date of this Act is governed by those portions of Chapter
19 [43](#), Local Government Code, that relate to post-annexation
20 procedures and requirements in effect immediately before the
21 effective date of this Act, and that law is continued in effect for
22 that purpose.

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