

By: Menéndez

S.B. No. 104

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 AREAS
18 SUBJECT TO CERTAIN AGREEMENTS. (a) This section applies only to
19 the annexation of an area that is:

20 (1) located in an industrial district designated by
21 the governing body of the municipality under Section [42.044](#);

22 (2) subject to a development agreement described by
23 Section [43.035](#); or

24 (3) subject to an agreement described by Section
25 [43.0563](#).

26 (b) Notwithstanding any other law, a municipality may annex
27 all or part of an area to which this section applies under the

1 requirements applicable to a tier 1 municipality.

2 Sec. 43.0117. AUTHORITY OF MUNICIPALITY TO ANNEX AREA NEAR
3 MILITARY BASE. (a) In this section, "military base" means a
4 presently functioning federally owned or operated military
5 installation or facility.

6 (b) Notwithstanding any other law, a municipality may annex
7 any part of the area located within five miles of the boundaries of
8 a military base under the requirements applicable to a tier 1
9 municipality.

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

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

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

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

1 extraterritorial jurisdiction under the procedures prescribed by
2 Subchapter C-1.

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

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

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

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

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

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

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

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

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

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

9 (A) guarantee the continuation of the
10 extraterritorial status of the area; and

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

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

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

23 (d) A provision of a development agreement described by
24 Subsection (b)(1) that restricts or otherwise limits the annexation
25 of all or part of the area that is the subject of the agreement is
26 void if the landowner files any type of subdivision plat or related
27 development document for the area with a governmental entity that

1 has jurisdiction over the area, regardless of how the area is
2 appraised for ad valorem tax purposes.

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

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

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

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

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

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

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

26 Sec. 43.0205. APPLICABILITY. This subchapter applies only
27 to a tier 1 municipality.

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

3 SUBCHAPTER C. ANNEXATION PROCEDURE FOR AREAS ANNEXED UNDER
4 MUNICIPAL ANNEXATION PLAN: TIER 1 MUNICIPALITIES

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

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

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

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

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

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

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

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

24 (A) an industrial district contract under
25 Section 42.044; or

26 (B) a strategic partnership agreement under
27 Section 43.0751;

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

3 (5) the area is annexed under Section 43.012, 43.013,
4 43.015 [~~43.026, 43.027~~], or 43.029 [~~, or 43.031~~];

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

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

10 (A) imminent destruction of property or injury to
11 persons; or

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

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

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

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

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

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

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

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

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

25 (4) may assess a civil penalty against the
26 municipality, to be paid to the state in an amount as justice may
27 require, for the period in which the municipality is not in

1 compliance with the service plan;

2 (5) may require the parties to participate in
3 mediation; and

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

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

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

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

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

19 (a) After holding the hearings as provided by Section
20 43.0561:

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

26 (2) if a municipality proposes to annex a special
27 district, as that term is defined by Section 43.052, the

1 municipality and the governing body of the district shall negotiate
2 for the provision of services to the area after annexation or for
3 the provision of services to the area in lieu of annexation under
4 Section 43.0751.

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

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

11 (1) representatives designated under Section
12 43.0562(b), if the area is included in the municipality's
13 annexation plan; or

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

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

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

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

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

1 to a tier 2 municipality.

2 Sec. 43.0661. PROVISION OF CERTAIN SERVICES TO ANNEXED
3 AREA. (a) This section applies only to a municipality that
4 includes solid waste collection services in the list of services
5 that will be provided in the area proposed for annexation on or
6 before the second anniversary of the effective date of the
7 annexation of the area under a written agreement under Section
8 43.0672 or a resolution under Section 43.0682 or 43.0692.

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

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

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

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

20 Sec. 43.0663. EFFECT ON OTHER LAW. Subchapters C-3 through
21 C-5 do not affect the procedures described by Section [397.005](#) or
22 [397.006](#) applicable to a defense community as defined by Section
23 [397.001](#).

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

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

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

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

27 (d) Within 10 days after the date on which the election is

1 held, the governing body of the smaller municipality shall canvass
2 the election returns and by resolution shall declare the results of
3 the election. If a majority of the votes received is in favor of the
4 annexation, the secretary of the smaller municipality or other
5 appropriate municipal official shall forward by certified mail to
6 the secretary of the larger municipality a certified copy of the
7 resolution.

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

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

1 municipality are assumed by the larger municipality.

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

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

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

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

27 SECTION 26. Chapter 43, Local Government Code, is amended

1 by adding Subchapters C-3, C-4, and C-5 to read as follows:

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

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

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

9 Sec. 43.0672. WRITTEN AGREEMENT REGARDING SERVICES. (a)
10 The governing body of the municipality that elects to annex an area
11 under this subchapter must first negotiate and enter into a written
12 agreement with the owners of land in the area for the provision of
13 services in the area.

14 (b) The agreement must include:

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

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

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

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

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

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

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

5 (A) police protection;

6 (B) fire protection;

7 (C) emergency medical services;

8 (D) solid waste collection;

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

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

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

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

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

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

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

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

1 43.0684;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (A) police protection;

8 (B) fire protection;

9 (C) emergency medical services;

10 (D) solid waste collection;

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

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

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

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

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

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

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

1 to be annexed notification of the proposed annexation that
2 includes:

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

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

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

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

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

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

1 Sec. 43.0695. ELECTION. (a) A municipality shall order an
2 election on the question of annexing an area to be held on the first
3 uniform election date that falls on or after the 90th day after the
4 date the governing body of the municipality adopts the resolution
5 under Section 43.0692.

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

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

12 Sec. 43.0696. RESULTS OF ELECTION. (a) Following an
13 election held under this subchapter, the municipality must notify
14 the residents of the area proposed to be annexed and of the
15 municipality of the results of the election.

16 (b) If at the election held under this subchapter a majority
17 of qualified voters do not approve the proposed annexation, the
18 municipality may not annex the area and may not adopt another
19 resolution under Section 43.0692 to annex the area until the first
20 anniversary of the date of the adoption of the resolution.

21 (c) If at the election held under this subchapter a majority
22 of qualified voters approve the proposed annexation, the
23 municipality may annex the area after:

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

27 (3) holding a final public hearing not earlier than

1 the 10th day after the date of the public hearing under Subdivision
2 (2) at which the ordinance annexing the area may be adopted.

3 Sec. 43.0697. RETALIATION FOR ANNEXATION DISAPPROVAL
4 PROHIBITED. (a) The disapproval of the proposed annexation of an
5 area under this subchapter does not affect any existing legal
6 obligation of the municipality proposing the annexation to continue
7 to provide governmental services in the area, including water or
8 wastewater services.

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

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

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

1 ~~reimbursable amounts determined in accordance with Subsection (c)~~
2 ~~prior to the effective date of the annexation, and (ii)~~
3 ~~subsequently causes the escrowed funds and accrued interest to be~~
4 ~~disbursed to the developer within five business days after the~~
5 ~~municipality receives notice of the preclearance.]~~

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

1 annexation may become effective. In the event a municipality
2 timely escrows all estimated reimbursable amounts as required by
3 this subsection and all such amounts, determined to be owed,
4 including interest, are subsequently disbursed to the developer
5 within five days of final determination in immediately available
6 funds as required by this section, no penalties or interest shall
7 accrue during the pendency of the escrow. Either the municipality
8 or developer may, by written notice to the other party, require
9 disputes regarding the amount owed under this section to be subject
10 to nonbinding arbitration in accordance with the rules of the
11 American Arbitration Association.

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

15 (h) On the full-purpose annexation conversion date set
16 forth in the strategic partnership agreement pursuant to Subsection
17 (f)(5) [~~(f)(5)(A)~~], the land included within the boundaries of the
18 district shall be deemed to be within the full-purpose boundary
19 limits of the municipality without the need for further action by
20 the governing body of the municipality. The full-purpose
21 annexation conversion date established by a strategic partnership
22 agreement may be altered only by mutual agreement of the district
23 and the municipality. However, nothing herein shall prevent the
24 municipality from terminating the agreement and instituting
25 proceedings to annex the district, on request by the governing body
26 of the district, on any date prior to the full-purpose annexation
27 conversion date established by the strategic partnership agreement

1 under the procedures applicable to a tier 1 municipality. Land
2 annexed for limited or full purposes under this section shall not be
3 included in calculations prescribed by Section 43.055(a).

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

11 (t) This subsection applies only to a municipality with a
12 population of less than 850,000 that is served by a municipally
13 owned electric utility with 400,000 or more customers and that is
14 wholly or partly located in a tier 2 county. Notwithstanding the
15 provisions of this section, a municipality that annexes an area
16 under a strategic partnership agreement executed on or after
17 September 1, 2009, must annex the area in compliance with
18 Subchapter C-3, C-4, or C-5.

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

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

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

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

1 (1) a tier 1 municipality; and

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

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

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

9 (1) a tier 1 municipality; and

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

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

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

19 (1) consents to the annexation; and

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

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

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

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

1 (a) A general-law tier 1 municipality with a population of
2 500 or more may annex, by ordinance and without the consent of any
3 person, the part of a street, highway, alley, or other public or
4 private way, including a railway line, spur, or roadbed, that is
5 adjacent and runs parallel to the boundaries of the municipality.

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

9 (a) This section applies only to:

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

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

12 (B) [~~and~~] is located in a county with a
13 population of 85,000 or more;i and

14 (C) [~~that~~] is not adjacent to a county with a
15 population of 2 million or more;i [~~7~~] or

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

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

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

24 Sec. 43.1055. ANNEXATION OF ROADS AND RIGHTS-OF-WAY IN
25 CERTAIN LARGE COUNTIES. Notwithstanding any other law, a tier 2
26 municipality may by ordinance annex a road or the right-of-way of a
27 road on request of the owner of the road or right-of-way or the

1 governing body of the political subdivision that maintains the road
2 or right-of-way under the procedures applicable to a tier 1
3 municipality.

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

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

10 (c) The provisions of this subchapter, other than Sections
11 43.1211 and ~~[Section]~~ 43.136, do not affect the authority of a
12 municipality to annex an area for limited purposes under Section
13 43.136 or any other statute granting the authority to annex for
14 limited purposes.

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

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

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

26 (a) A majority of the qualified voters of an annexed area
27 may petition the governing body of the municipality to disannex the

1 area if the municipality fails or refuses to provide services or to
2 cause services to be provided to the area:

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

6 (2) if the municipality is a tier 2 municipality,
7 within the period specified by the written agreement under Section
8 43.0672 or the resolution under Section 43.0682 or 43.0692, as
9 applicable.

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

21 (1) perform its obligations in accordance with:

22 (A) the service plan under Section 43.056;

23 (B) the written agreement entered into under
24 Section 43.0672; or

25 (C) the resolution adopted under Section 43.0682
26 or 43.0692, as applicable; or

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

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

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

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

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

14 (2) provide that, at the expiration of the period, the
15 district's annexation status will automatically revert to
16 full-purpose annexation without following procedures provided by
17 Sections 43.014 and 43.052 ~~[43.051]~~ through 43.055 or any other
18 procedural requirement for annexation not in effect on January 1,
19 1995; and

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

22 (A) facilities constructed by the municipality
23 that are in or that serve the district;

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

27 (C) use of the municipal sales taxes collected by

1 the municipality for facilities or services in the district.

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

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

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

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

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

24 (c) A municipality that proposes to enter into a strategic
25 partnership agreement under Section 43.0751 shall provide written
26 notice of the proposed agreement within the period prescribed for
27 providing the notice of the first hearing under Section 43.0751 to

1 each political subdivision that is located in or provides services
2 to the area subject to the proposed agreement.

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

5 (1) the area proposed for annexation;

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

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

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

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

18 Sec. 8395.151. 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. 4;

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 by
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 44. Section 8396.151, Special District Local Laws
27 Code, is amended to read as follows:

1 Sec. 8396.151. 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. 5;

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

11 Sec. 8397.151. 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. 6;
- 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 46. Section 8398.151, Special District Local Laws
20 Code, is amended to read as follows:

21 Sec. 8398.151. 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. 7;

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

4 Sec. 8399.151. 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. 8;
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 48. Section 8400.151, Special District Local Laws
13 Code, is amended to read as follows:

14 Sec. 8400.151. 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. 9;

25 and

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

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

5 (c) The municipality may annex the territory described 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 49. Section 8401.151, Special District Local Laws
23 Code, is amended to read as follows:

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

1 the district and the following districts:

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

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

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

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

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

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

8 and

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

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

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

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

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

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

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

1 [~~(C) exercise the powers provided by general law~~
2 ~~and this chapter, or~~
3 [~~(2) the 20th anniversary of the date the district was~~
4 ~~confirmed~~].

5 SECTION 50. Section 8489.109, Special District Local Laws
6 Code, is amended to read as follows:

7 Sec. 8489.109. 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 enacting this chapter is located.

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

17 Sec. 9038.110. 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 52. Section 9039.110, Special District Local Laws
26 Code, is amended to read as follows:

27 Sec. 9039.110. MUNICIPAL ANNEXATION ADJACENT TO DISTRICT.

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

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

10 CHAPTER 9073. TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT
11 NO. 19; ANNEXATION

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

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

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

26 and

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

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.

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

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

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

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

24 (e) The repeal of Sections 43.056(d), (h), and (p) and
25 Sections 43.0565 and 43.0567, Local Government Code, by this Act
26 and the change in law made by this Act to Sections 43.056(l) and
27 (n), Local Government Code, do not affect a right, requirement,

1 limitation, or remedy provided for under those sections and
2 applicable in an area annexed by a municipality for which the first
3 hearing notice required by Section 43.0561 or 43.063, Local
4 Government Code, as applicable, was published before December 1,
5 2017.

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

17 SECTION 56. The changes in law made by this Act do not apply
18 to an area that is the subject of an agreement between a
19 municipality with a population of more than 1.3 million and less
20 than 1.5 million according to the 2010 federal decennial census and
21 a municipality with a population of more than 18,050 and less than
22 18,200 according to the 2010 federal decennial census that contains
23 a plan that is approved by the municipalities before the effective
24 date of this Act for phased boundary adjustments between the
25 municipalities, releases of extraterritorial jurisdiction by the
26 more populous municipality, and annexations by the less populous
27 municipality. A municipal boundary adjustment, release of

1 extraterritorial jurisdiction, or annexation contained in a plan
2 under an agreement described by this section is governed by the law
3 in effect at the time the agreement was approved by the
4 municipalities, and the former law is continued in effect for that
5 purpose.

6 SECTION 57. The changes in law made by this Act apply only
7 to the annexation of an area that is not final on the effective date
8 of this Act. An annexation of an area that was final before the
9 effective date of this Act is governed by those portions of Chapter
10 [43](#), Local Government Code, that relate to post-annexation
11 procedures and requirements in effect immediately before the
12 effective date of this Act, and that law is continued in effect for
13 that purpose.

14 SECTION 58. This Act takes effect December 1, 2017.