

By: Campbell, et al.

S.B. No. 715

A BILL TO BE ENTITLED

AN ACT

relating to municipal annexation.

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

SECTION 1. Subchapter A, Chapter 43, Local Government Code, is amended by adding Section 43.003 to read as follows:

Sec. 43.003. LIMITED PURPOSE ANNEXATION GENERALLY PROHIBITED; EXCEPTION. (a) Except as provided by Section 43.0751, beginning September 1, 2017, a municipality may not annex an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area.

(b) This section supersedes any municipal charter provision that conflicts with this section.

SECTION 2. Section 43.021, Local Government Code, is amended to read as follows:

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

(1) fix the boundaries of the municipality;

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

(3) exchange area with other municipalities.

1 SECTION 3. Section 43.051, Local Government Code, is  
2 transferred to Subchapter B, Chapter 43, Local Government Code,  
3 redesignated as Section 43.0211, Local Government Code, and amended  
4 to read as follows:

5 Sec. 43.0211 [~~43.051~~]. AUTHORITY TO ANNEX LIMITED TO  
6 EXTRATERRITORIAL JURISDICTION. A municipality may annex area only  
7 in the municipality's [~~its~~] extraterritorial jurisdiction unless  
8 the municipality owns the area.

9 SECTION 4. Subchapter B, Chapter 43, Local Government Code,  
10 is amended by adding Section 43.0212 to read as follows:

11 Sec. 43.0212. AUTHORITY OF MUNICIPALITY TO ANNEX AREA ON  
12 REQUEST OF OWNERS. (a) Notwithstanding Subchapter C or C-1, a  
13 municipality may annex an area if each owner of land in the area  
14 requests the annexation.

15 (b) If a municipality elects to annex an area under this  
16 section, the governing body of the municipality must first  
17 negotiate and enter into a written agreement for the provision of  
18 services in the area with the owners of land in the area. The  
19 municipality is not required to provide a service that is not  
20 included in the agreement.

21 (c) Before a municipality may annex an area under this  
22 section, the governing body of the municipality must conduct at  
23 least two public hearings. The hearings must be conducted not less  
24 than 10 business days apart. During the first public hearing, the  
25 governing body must provide persons interested in the annexation  
26 the opportunity to be heard. During the final public hearing, the  
27 governing body may adopt an ordinance annexing the area.

1 SECTION 5. Section 43.0235(a), Local Government Code, is  
2 amended to read as follows:

3 (a) A general-law municipality may annex an area in which 50  
4 percent or more of the property in the area to be annexed is  
5 primarily used for a commercial or industrial purpose only if the  
6 municipality:

7 (1) is otherwise authorized by this chapter  
8 [~~subchapter~~] to annex the area and complies with the requirements  
9 prescribed under that authority; and

10 (2) obtains the written consent of the owners of a  
11 majority of the property in the area to be annexed.

12 SECTION 6. Section 43.026, Local Government Code, is  
13 amended to read as follows:

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

20 SECTION 7. Section 43.027, Local Government Code, is  
21 amended to read as follows:

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

27 SECTION 8. Section 43.029, Local Government Code, is

1 amended by amending Subsection (c) and adding Subsections (d), (e),  
2 (f), and (g) to read as follows:

3 (c) Notwithstanding Subchapter C or C-1, the [The] board of  
4 trustees of a public school occupying the area may petition the  
5 governing body of the municipality in writing to annex the area  
6 under the procedures provided by this section. [Sections  
7 43.028(c)-(f) apply to the petition and annexation under this  
8 section in the same manner in which they apply to the petition and  
9 annexation under that section.]

10 (d) The petition must describe the area by metes and bounds  
11 and must be acknowledged in the manner required for deeds by each  
12 person having an interest in the area.

13 (e) After the 5th day but on or before the 30th day after the  
14 date the petition is filed, the governing body shall hear the  
15 petition and the arguments for and against the annexation and shall  
16 grant or refuse the petition as the governing body considers  
17 appropriate.

18 (f) If the governing body grants the petition, the governing  
19 body by ordinance may annex the area. On the effective date of the  
20 ordinance, the area becomes a part of the municipality.

21 (g) If the petition is granted and the ordinance is adopted,  
22 a certified copy of the ordinance together with a copy or duplicate  
23 of the petition shall be filed in the office of the county clerk of  
24 the county in which the municipality is located.

25 SECTION 9. Section 43.031, Local Government Code, is  
26 amended to read as follows:

27 Sec. 43.031. AUTHORITY OF ADJACENT MUNICIPALITIES TO CHANGE

1 BOUNDARIES BY AGREEMENT. Notwithstanding Subchapter C or C-1,  
2 adjacent [~~Adjacent~~] municipalities may make mutually agreeable  
3 changes in their boundaries of areas that are less than 1,000 feet  
4 in width.

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

7 SUBCHAPTER C. ANNEXATION OF AREAS WITH A POPULATION OF LESS THAN  
8 200 [~~PROCEDURE FOR AREAS ANNEXED UNDER MUNICIPAL ANNEXATION PLAN~~]

9 SECTION 11. Subchapter C, Chapter 43, Local Government  
10 Code, is amended by adding Sections 43.0511 through 43.0517 to read  
11 as follows:

12 Sec. 43.0511. AUTHORITY TO ANNEX. A municipality may annex  
13 an area with a population of less than 200 only if the municipality  
14 obtains consent to annex the area through a petition signed by:

15 (1) more than 50 percent of the registered voters of  
16 the area; and

17 (2) if the registered voters of the area do not own  
18 more than 50 percent of the land in the area, more than 50 percent of  
19 the owners of land in the area.

20 Sec. 43.0512. RESOLUTION. The governing body of the  
21 municipality that proposes to annex an area under this subchapter  
22 must adopt a resolution that includes:

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

25 (2) a detailed description and map of the area to be  
26 annexed; and

27 (3) a description of the services to be provided by the

1 municipality in the area after the annexation, including, as  
2 applicable:

3 (A) police protection;

4 (B) fire protection;

5 (C) emergency medical services;

6 (D) solid waste collection;

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

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

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

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

15 Sec. 43.0513. NOTICE OF PROPOSED ANNEXATION. Not later  
16 than the seventh day after the date the governing body of the  
17 municipality adopts the resolution under Section 43.0512, the  
18 municipality must mail to each resident in the area proposed to be  
19 annexed notification of the proposed annexation that includes:

20 (1) notice of the public hearing required by Section  
21 43.0514;

22 (2) an explanation of the 60-day petition period  
23 described by Section 43.0515; and

24 (3) a description of the services to be provided by the  
25 municipality in the area after the annexation.

26 Sec. 43.0514. PUBLIC HEARING. The governing body of a  
27 municipality must conduct at least one public hearing on the

1 proposed annexation at which members of the public are given an  
2 opportunity to be heard. The governing body must conduct the  
3 hearing not earlier than the 21st day and not later than the 30th  
4 day after the date the governing body adopts the resolution under  
5 Section 43.0512.

6 Sec. 43.0515. PETITION. (a) The petition required by  
7 Section 43.0511 may be signed only by a registered voter of the area  
8 proposed to be annexed or an owner of land in the area. The petition  
9 must provide for the person signing to state whether the person is  
10 signing as a registered voter of the area, as an owner of land in the  
11 area, or as both.

12 (b) The municipality may collect signatures on the petition  
13 only during the period beginning on the 31st day after the date the  
14 governing body of the municipality adopts the resolution under  
15 Section 43.0512 and ending on the 90th day after the date the  
16 resolution is adopted.

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

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

21 (e) The municipality must collect petition signatures in  
22 person, except that the municipality may provide for an owner of  
23 land in the area who is not a resident of the area to sign the  
24 petition electronically.

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

27 Sec. 43.0516. RESULTS OF PETITION. (a) When the petition

1 period prescribed by Section 43.0515 ends, the petition shall be  
2 verified by the municipal secretary or other person responsible for  
3 verifying signatures. The municipality must notify the residents  
4 of the area proposed to be annexed of the results of the petition.

5 (b) If the municipality does not obtain the number of  
6 signatures on the petition required to annex the area, the  
7 municipality may not annex the area and may not adopt another  
8 resolution under Section 43.0512 to annex any part of the area until  
9 the first anniversary of the date the petition period ended.

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

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

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

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

19 Sec. 43.0517. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON  
20 PETITION. If a petition protesting the annexation of an area under  
21 this subchapter is signed by a number of registered voters of the  
22 municipality proposing the annexation equal to at least 50 percent  
23 of the number of voters who voted in the most recent municipal  
24 election and is received by the municipal secretary before the date  
25 the petition period prescribed by Section 43.0515 ends, the  
26 municipality may not complete the annexation of the area without  
27 approval of a majority of the voters of the municipality voting at



1 an election called and held for that purpose.

2 SECTION 12. The heading to Subchapter C-1, Chapter 43,  
3 Local Government Code, is amended to read as follows:

4 SUBCHAPTER C-1. ANNEXATION OF AREAS WITH A POPULATION OF AT LEAST  
5 200 [~~PROCEDURE FOR AREAS EXEMPTED FROM MUNICIPAL ANNEXATION PLAN~~]

6 SECTION 13. Subchapter C-1, Chapter 43, Local Government  
7 Code, is amended by adding Sections 43.0611 through 43.0618 to read  
8 as follows:

9 Sec. 43.0611. AUTHORITY TO ANNEX. A municipality may annex  
10 an area with a population of 200 or more only if the following  
11 conditions are met, as applicable:

12 (1) the municipality holds an election in the area  
13 proposed to be annexed at which the qualified voters of the area may  
14 vote on the question of the annexation, and a majority of the votes  
15 received at the election approve the annexation; and

16 (2) if the registered voters of the area do not own  
17 more than 50 percent of the land in the area, the municipality  
18 obtains consent to annex the area through a petition signed by more  
19 than 50 percent of the owners of land in the area.

20 Sec. 43.0612. RESOLUTION. The governing body of the  
21 municipality that proposes to annex an area under this subchapter  
22 must adopt a resolution that includes:

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

25 (2) a detailed description and map of the area to be  
26 annexed; and

27 (3) a description of the services to be provided by the

1 municipality in the area after the annexation, including, as  
2 applicable:

- 3 (A) police protection;  
4 (B) fire protection;  
5 (C) emergency medical services;  
6 (D) solid waste collection;  
7 (E) operation and maintenance of water and  
8 wastewater facilities in the annexed area;  
9 (F) operation and maintenance of roads and  
10 streets, including road and street lighting;  
11 (G) operation and maintenance of parks,  
12 playgrounds, and swimming pools; and  
13 (H) operation and maintenance of any other  
14 publicly owned facility, building, or service.

15 Sec. 43.0613. NOTICE OF PROPOSED ANNEXATION. Not later  
16 than the seventh day after the date the governing body of the  
17 municipality adopts the resolution under Section 43.0612, the  
18 municipality must mail to each property owner in the area proposed  
19 to be annexed notification of the proposed annexation that  
20 includes:

- 21 (1) notice of the public hearing required by Section  
22 43.0614;  
23 (2) notice that an election on the question of  
24 annexing the area will be held; and  
25 (3) a description of the services to be provided by the  
26 municipality in the area after the annexation.

27 Sec. 43.0614. PUBLIC HEARINGS. (a) The governing body of a

1 municipality must conduct at least two public hearings on the  
2 proposed annexation at which members of the public are given an  
3 opportunity to be heard.

4 (b) The governing body must conduct the first public hearing  
5 not earlier than the 21st day and not later than the 30th day after  
6 the date the governing body adopts the resolution under Section  
7 43.0612.

8 (c) The governing body must conduct the second public  
9 hearing not earlier than the 31st day and not later than the 90th  
10 day after the date the governing body adopts a resolution under  
11 Section 43.0612.

12 Sec. 43.0615. PROPERTY OWNER CONSENT REQUIRED FOR CERTAIN  
13 AREAS. (a) If the registered voters in the area proposed to be  
14 annexed do not own more than 50 percent of the land in the area, the  
15 municipality must obtain consent to the annexation through a  
16 petition signed by more than 50 percent of the owners of land in the  
17 area in addition to the election required by this subchapter.

18 (b) The municipality must obtain the consent required by  
19 this section through the petition process prescribed by Section  
20 43.0515, and the petition must be verified in the manner provided by  
21 Section 43.0516(a).

22 Sec. 43.0616. ELECTION. (a) A municipality shall order an  
23 election on the question of annexing an area to be held on the first  
24 uniform election date that falls on or after:

25 (1) the 90th day after the date the governing body of  
26 the municipality adopts the resolution under Section 43.0612; or

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

1 required under Section 43.0615, the 78th day after the date the  
2 petition period to obtain that consent ends.

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

6 Sec. 43.0617. RESULTS OF ELECTION AND PETITION. (a)  
7 Following an election held under this subchapter, the municipality  
8 must notify the residents of the area proposed to be annexed of the  
9 results of the election and, if applicable, of the petition  
10 required by Section 43.0615.

11 (b) If at the election held under this subchapter a majority  
12 of qualified voters do not approve the proposed annexation, or if  
13 the municipality is required to petition owners of land in the area  
14 under Section 43.0615 and does not obtain the required number of  
15 signatures, the municipality may not annex the area and may not  
16 adopt another resolution under Section 43.0612 to annex any part of  
17 the area until the first anniversary of the date of the adoption of  
18 the resolution.

19 (c) If at the election held under this subchapter a majority  
20 of qualified voters approve the proposed annexation, and if the  
21 municipality, as applicable, obtains the required number of  
22 petition signatures under Section 43.0615, the municipality may  
23 annex the area after:

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

27 (3) conducting a final hearing not earlier than the

1 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. 43.0618. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON  
4 PETITION. If a petition protesting the annexation of an area under  
5 this subchapter is signed by a number of registered voters of the  
6 municipality proposing the annexation equal to at least 50 percent  
7 of the number of voters who voted in the most recent municipal  
8 election and is received by the municipal secretary before the date  
9 the election required by this subchapter is held, the municipality  
10 may not complete the annexation of the area without approval of a  
11 majority of the voters of the municipality voting at a separate  
12 election called and held for that purpose.

13 SECTION 14. Section 43.071(e), Local Government Code, is  
14 amended to read as follows:

15 (e) Subsections (b) and (c) [~~(b)-(d)~~] do not apply to the  
16 annexation of:

17 (1) an area within a water or sewer district if:

18 (A) the governing body of the district consents  
19 to the annexation;

20 (B) the owners in fee simple of the area to be  
21 annexed consent to the annexation; and

22 (C) the annexed area does not exceed 525 feet in  
23 width at its widest point;

24 (2) a water or sewer district that has a noncontiguous  
25 part that is not within the extraterritorial jurisdiction of the  
26 municipality; or

27 (3) a part of a special utility district created or

1 operating under Chapter 65, Water Code.

2 SECTION 15. Sections 43.0715(b) and (c), Local Government  
3 Code, are amended to read as follows:

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

23 (c) At the time notice of the municipality's intent to annex  
24 the land within the district is first published ~~[in accordance with~~  
25 ~~Section 43.052]~~, the municipality shall proceed to initiate and  
26 complete a report for each developer conducted in accordance with  
27 the format approved by the Texas ~~[Natural Resource Conservation]~~

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

1 SECTION 16. Sections 43.072(b) and (d), Local Government  
2 Code, are amended to read as follows:

3 (b) A home-rule municipality having a common boundary with a  
4 district subject to this section may annex the area of the district  
5 if:

6 (1) the annexation complies with the requirements of  
7 Subchapter C or C-1, as applicable ~~[is approved by a majority of the~~  
8 ~~qualified voters who vote on the question at an election held under~~  
9 ~~this section]~~;

10 (2) the annexation is completed before the date that  
11 is one year after the date the petition period prescribed by Section  
12 43.0515 ends or the date of the election under Section 43.0616, as  
13 applicable; and

14 (3) all the area of the district is annexed.

15 (d) Annexation of area under this section is exempt from the  
16 provisions of this chapter that prohibit:

17 (1) a municipality from annexing area outside its  
18 extraterritorial jurisdiction; or

19 (2) ~~[annexation of area narrower than the minimum~~  
20 ~~width prescribed by Section 43.054, or~~

21 ~~[(3)]~~ reduction of the extraterritorial jurisdiction  
22 of a municipality without the written consent of the municipality's  
23 governing body.

24 SECTION 17. Sections 43.0751(b), (d), and (h), Local  
25 Government Code, are amended to read as follows:

26 (b) The governing bodies of a municipality and a district  
27 may negotiate and enter into a written strategic partnership



1 agreement for the district by mutual consent. The governing body of  
2 a municipality, on written request from a district located in the  
3 municipality's extraterritorial jurisdiction [~~included in the~~  
4 ~~municipality's annexation plan under Section 43.052~~], may [~~shall~~]  
5 negotiate and enter into a written strategic partnership agreement  
6 with the district. [~~A district included in a municipality's~~  
7 ~~annexation plan under Section 43.052.~~

8 [~~(1) may not submit its written request before the~~  
9 ~~date of the second hearing required under Section 43.0561; and~~

10 [~~(2) must submit its written request before the 61st~~  
11 ~~day after the date of the second hearing required under Section~~  
12 ~~43.0561.]~~

13 (d) Before the governing body of a municipality or a  
14 district adopts a strategic partnership agreement, it shall conduct  
15 two public hearings at which members of the public who wish to  
16 present testimony or evidence regarding the proposed agreement  
17 shall be given the opportunity to do so. Notice of public hearings  
18 conducted by the governing body of a municipality under this  
19 subsection shall be published in a newspaper of general circulation  
20 in the municipality and in the district [~~. The notice must be in the~~  
21 ~~format prescribed by Section 43.123(b)] and must be published at  
22 least once on or after the 20th day before the [~~each~~] date of each  
23 hearing. The notice may not be smaller than one-quarter page of a  
24 standard-size or tabloid-size newspaper, and the headline on the  
25 notice must be in 18-point or larger type. Notice of public  
26 hearings conducted by the governing body of a district under this  
27 subsection shall be given in accordance with the district's~~

1 notification procedures for other matters of public importance.  
2 Any notice of a public hearing conducted under this subsection  
3 shall contain a statement of the purpose of the hearing, the date,  
4 time, and place of the hearing, and the location where copies of the  
5 proposed agreement may be obtained prior to the hearing. The  
6 governing bodies of a municipality and a district may conduct joint  
7 public hearings under this subsection, provided that at least one  
8 public hearing is conducted within the district.

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  
22 agreement. [~~Land annexed for limited or full purposes under this~~  
23 ~~section shall not be included in calculations prescribed by Section~~  
24 ~~43.055(a).~~]

25 SECTION 18. Section 43.07515(a), Local Government Code, is  
26 amended to read as follows:

27 (a) A municipality may not regulate under Section 43.0751

1 ~~[or 43.0752]~~ the sale, use, storage, or transportation of fireworks  
2 outside of the municipality's boundaries.

3 SECTION 19. Section 43.101(d), Local Government Code, is  
4 amended to read as follows:

5 (d) The municipality may annex the area even if part of the  
6 area is outside the municipality's extraterritorial jurisdiction  
7 ~~[or is narrower than the minimum width prescribed by Section~~  
8 ~~43.054. Section 43.055, which relates to the amount of area a~~  
9 ~~municipality may annex in a calendar year, does not apply to the~~  
10 ~~annexation].~~

11 SECTION 20. Section 43.102(d), Local Government Code, is  
12 amended to read as follows:

13 (d) The municipality may annex the area even if the area is  
14 outside the municipality's extraterritorial jurisdiction or [7] is  
15 in another municipality's extraterritorial jurisdiction~~[, or is~~  
16 ~~narrower than the minimum width prescribed by Section 43.054.~~  
17 ~~Section 43.055, which relates to the amount of area a municipality~~  
18 ~~may annex in a calendar year, does not apply to the annexation].~~

19 SECTION 21. Section 43.1025(c), Local Government Code, is  
20 amended to read as follows:

21 (c) Annexation of the ~~[The]~~ area described by Subsection (b)  
22 ~~[may be annexed without the consent of the owners or residents of~~  
23 ~~the area, but the annexation]~~ may not occur unless each  
24 municipality in whose extraterritorial jurisdiction the area may be  
25 located:

- 26 (1) consents to the annexation; and  
27 (2) reduces its extraterritorial jurisdiction over

1 the area as provided by Section 42.023.

2 SECTION 22. Subchapter F, Chapter 43, Local Government  
3 Code, is amended by adding Section 43.1211 to read as follows:

4 Sec. 43.1211. APPLICABILITY. This subchapter applies to an  
5 area that was annexed for a limited purpose as authorized before  
6 September 1, 2017.

7 SECTION 23. Section 43.127(a), Local Government Code, is  
8 amended to read as follows:

9 (a) On [~~Except as provided by Section 43.123(e), on~~] or  
10 before the date prescribed by the regulatory plan prepared for the  
11 limited purpose area [~~under Section 43.123(d)(2)~~], the  
12 municipality must annex the area for full purposes. [~~This~~  
13 ~~requirement may be waived and the date for full-purpose annexation~~  
14 ~~postponed by written agreement between the municipality and a~~  
15 ~~majority of the affected landowners. A written agreement to waive~~  
16 ~~the municipality's obligation to annex the area for full purposes~~  
17 ~~binds all future owners of land annexed for limited purposes~~  
18 ~~pursuant to that waiver.~~]

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

21 (a) A majority of the qualified voters of an annexed area  
22 may petition the governing body of the municipality to disannex the  
23 area if the municipality fails or refuses to provide services or to  
24 cause services to be provided to the area as described by the  
25 written agreement under Section 43.0212 or the resolution under  
26 Section 43.0512 or 43.0612, as applicable [~~within the period~~  
27 ~~specified by Section 43.056 or by the service plan prepared for the~~

1 ~~area under that section].~~

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

15 SECTION 25. Section 43.201(2), Local Government Code, is  
16 amended to read as follows:

17 (2) "Limited-purpose annexation" means annexation  
18 authorized under former Section 43.121, as that section existed on  
19 January 1, 2017.

20 SECTION 26. Section 43.203(a), Local Government Code, is  
21 amended to read as follows:

22 (a) This section applies only to the ~~[The]~~ governing body of  
23 a district that by resolution petitioned ~~[may petition]~~ a  
24 municipality to alter the annexation status of land in the district  
25 from full-purpose annexation to limited-purpose annexation and  
26 before September 1, 2017:

27 (1) entered into an agreement to alter the status of

1 annexation as provided by this section; or  
2 (2) had its status automatically altered by operation  
3 of Subsection (c).

4 SECTION 27. Section 43.905(a), Local Government Code, is  
5 amended to read as follows:

6 (a) A municipality that proposes to annex an area shall  
7 provide written notice of the proposed annexation to each public  
8 school district located in the area proposed for annexation within  
9 the period prescribed for providing [~~publishing~~] the notice of the  
10 first hearing under Section 43.0212, 43.0513, [43.0561] or 43.0613  
11 [~~43.063~~], as applicable.

12 SECTION 28. Section 775.0754(d), Health and Safety Code, is  
13 amended to read as follows:

14 (d) A municipality that enters into an agreement under this  
15 section is not required to provide emergency services in that  
16 annexed territory. To the extent of a conflict between this  
17 subsection and [~~Section 43.056, Local Government Code, or~~] any  
18 other law, this subsection controls.

19 SECTION 29. Section 3833.209(e), Special District Local  
20 Laws Code, is amended to read as follows:

21 (e) The terms and conditions of the negotiated service plan  
22 bind the city for the period provided by Section 43.056(1), Local  
23 Government Code, as that section existed on January 1, 2017, and the  
24 developer, the developer's heirs, successors, and assigns, and any  
25 person taking title to all or a portion of the property annexed  
26 under the annexation petition for that period.

27 SECTION 30. Section 8489.109, Special District Local Laws

1 Code, is amended to read as follows:

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

10       SECTION 31. Section 9038.110, Special District Local Laws  
11 Code, is amended to read as follows:

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

20       SECTION 32. Section 9039.110, Special District Local Laws  
21 Code, is amended to read as follows:

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

1 jurisdiction any of the land in the area described by Section 2 of  
2 the Act creating this chapter is located.

3 SECTION 33. (a) Sections 42.0411, 43.022, 43.023, 43.024,  
4 43.025, 43.028, 43.030, 43.032, 43.033, 43.034, 43.035(c), 43.036,  
5 43.052, 43.053, 43.054, 43.0545, 43.0546, 43.055, 43.056, 43.0561,  
6 43.0562, 43.0563, 43.0564, 43.0565, 43.0567, 43.057, 43.061,  
7 43.062, 43.063, 43.064, 43.065, 43.071(d), (f), and (g), 43.072(c),  
8 (e), (g), (h), (i), (j), (k), (l), and (m), 43.0751(o), 43.0752,  
9 43.101(c), 43.102(c), 43.1025(e) and (g), 43.103, 43.105, 43.121,  
10 43.122, 43.123, 43.124, 43.125, 43.126, 43.129, 43.132, 43.147, and  
11 43.906, Local Government Code, are repealed.

12 (b) Subchapter Y, Chapter 43, Local Government Code, is  
13 repealed.

14 (c) Sections 8374.252(a), 8375.252(a), 8376.252(a),  
15 8377.252(a), 8378.252(a), 8382.252(a), 8383.252(a), 8384.252(a),  
16 8385.252(a), and 8477.302(a), Special District Local Laws Code, are  
17 repealed.

18 (d) Section 5.701(n)(6), Water Code, is repealed.

19 SECTION 34. The changes in law made by this Act apply only  
20 to the annexation of an area that is not final on the effective date  
21 of this Act. An annexation of an area that was final before the  
22 effective date of this Act is governed by those portions of Chapter  
23 43, Local Government Code, that relate to post-annexation  
24 procedures and requirements in effect immediately before the  
25 effective date of this Act, and that law is continued in effect for  
26 that purpose.

27 SECTION 35. This Act takes effect September 1, 2017.