

SENATE JOURNAL

EIGHTY-FIFTH LEGISLATURE — FIRST CALLED SESSION

AUSTIN, TEXAS

PROCEEDINGS

NINTH DAY

(Continued)

(Sunday, August 13, 2017)

AFTER RECESS

The Senate met at 5:22 p.m. and was called to order by the President.

BILL AND RESOLUTION SIGNED

The President announced the signing of the following enrolled bill and resolution in the presence of the Senate after the caption had been read: **HB 13, HCR 26.**

RECESS

On motion of Senator Whitmire, the Senate at 5:23 p.m. recessed until 6:00 p.m. today.

AFTER RECESS

The Senate met at 6:02 p.m. and was called to order by the President.

BIRTHDAY GREETINGS EXTENDED

The President, on behalf of the Senate, extended birthday greetings to Senator Whitmire.

SENATE BILL 6 WITH HOUSE AMENDMENTS

Senator Campbell called **SB 6** from the President's table for consideration of the House amendments to the bill.

The President laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 6** by substituting in lieu thereof the following:

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 that is not a tier 1 county.

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

(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:

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

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

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

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

Sec. 43.003 [~~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.

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

SUBCHAPTER A-1. GENERAL AUTHORITY TO ANNEX

Sec. 43.011. APPLICABILITY. This subchapter applies to:

(1) a tier 1 municipality; and

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

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

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

(2) proposes to annex an area that:

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

(B) has fewer than 100 dwelling units.

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

Sec. 43.0116. AUTHORITY OF MUNICIPALITY TO ANNEX INDUSTRIAL DISTRICTS. (a) Notwithstanding any other law and subject to Subsection (b), a municipality may annex all or part of the area located in an industrial district designated by the governing body of the municipality under Section 42.044 under the requirements applicable to a tier I municipality.

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

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

(2) as provided by the contract.

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

(b) Notwithstanding any other law, a municipality may annex for full or limited purposes any part of the area located within five miles of the boundaries of a military base in which an active training program is conducted only if the municipality adopts a resolution that establishes provisions to maintain the compatibility of the municipality's regulation of land in the area with the military base operations following the annexation.

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

Sec. 43.012 [43-026]. AUTHORITY OF TYPE A GENERAL-LAW MUNICIPALITY TO ANNEX AREA IT OWNS. The governing body of a Type A general-law municipality by ordinance may annex area that the municipality owns under the procedures prescribed by Subchapter C-1. The ordinance must describe the area by metes and bounds and must be entered in the minutes of the governing body.

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

Sec. 43.013 [43-027]. AUTHORITY OF [GENERAL-LAW] MUNICIPALITY TO ANNEX NAVIGABLE STREAM. The governing body of a [general-law] municipality by ordinance may annex any navigable stream adjacent to the municipality and within the municipality's extraterritorial jurisdiction under the procedures prescribed by Subchapter C-1.

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

Sec. 43.014 [43-051]. AUTHORITY TO ANNEX LIMITED TO EXTRATERRITORIAL JURISDICTION. A municipality may annex area only in its extraterritorial jurisdiction unless the municipality owns the area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SUBCHAPTER B. GENERAL AUTHORITY TO ANNEX: TIER 1 MUNICIPALITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) a strategic partnership agreement under Section 43.0751;

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

(5) the area is annexed under Section 43.012, 43.013, 43.015 [~~43.026, 43.027~~], or 43.029[~~, or 43.034~~];

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 43.0661. PROVISION OF CERTAIN SERVICES TO ANNEXED AREA.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TIER 2 MUNICIPALITIES

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

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

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

(b) The agreement must include:

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

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

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

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

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

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

(d) The municipality must post notice of the hearings on the municipality's Internet website if the municipality has an Internet website and publish notice of the hearings in a newspaper of general circulation in the municipality and in the area proposed for annexation. The notice for each hearing must be published at least once on or after the 20th day but before the 10th day before the date of the hearing. The

notice for each hearing must be posted on the municipality's Internet website on or after the 20th day but before the 10th day before the date of the hearing and must remain posted until the date of the hearing.

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

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

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

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

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

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

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

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

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

(A) police protection;

(B) fire protection;

(C) emergency medical services;

(D) solid waste collection;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) providing notice under Subsection (a);

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

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

Sec. 43.0687. VOTER APPROVAL BY MUNICIPAL RESIDENTS ON PETITION. If a petition protesting the annexation of an area under this subchapter is signed by a number of registered voters of the municipality proposing the annexation

equal to at least 50 percent of the number of voters who voted in the most recent municipal election and is received by the secretary of the municipality before the date the petition period prescribed by Section 43.0685 ends, the municipality may not complete the annexation of the area without approval of a majority of the voters of the municipality voting at an election called and held for that purpose.

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

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

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

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

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

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

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

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

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

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

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

(A) police protection;

(B) fire protection;

(C) emergency medical services;

(D) solid waste collection;

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

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

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

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

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

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

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

- (1) notice of the public hearings required by Section 43.0694;
- (2) notice that an election on the question of annexing the area will be held;

and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) providing notice under Subsection (a);

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

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

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

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

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

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

(b) If a municipality with a population of less than 1.5 million annexes a special district for full or limited purposes and the annexation precludes or impairs the ability of the district to issue bonds, the municipality shall, prior to the effective date of the annexation, pay in cash to the landowner or developer of the district a sum equal to all actual costs and expenses incurred by the landowner or developer in connection with the district that the district has, in writing, agreed to pay and that would otherwise have been eligible for reimbursement from bond proceeds under the rules and requirements of the Texas ~~Natural Resource Conservation~~ Commission on Environmental Quality as such rules and requirements exist on the date of annexation.

~~[For an annexation that is subject to preclearance by a federal authority, a payment will be considered timely if the municipality: (i) escrows the reimbursable amounts determined in accordance with Subsection (e) prior to the effective date of the annexation; and (ii) subsequently causes the escrowed funds and accrued interest to be disbursed to the developer within five business days after the municipality receives notice of the preclearance.]~~

(c) At the time notice of the municipality's intent to annex the land within the district is first given ~~[published]~~ in accordance with Section 43.052, 43.0683, or 43.0693, as applicable, the municipality shall proceed to initiate and complete a report for each developer conducted in accordance with the format approved by the Texas ~~[Natural Resource Conservation]~~ Commission on Environmental Quality for audits. In the event the municipality is unable to complete the report prior to the effective date of the annexation as a result of the developer's failure to provide information to the municipality which cannot be obtained from other sources, the municipality shall obtain from the district the estimated costs of each project previously undertaken by a developer which are eligible for reimbursement. The amount of such costs, as estimated by the district, shall be escrowed by the municipality for the benefit of the persons entitled to receive payment in an insured interest-bearing account with a financial institution authorized to do business in the state. To compensate the developer for the municipality's use of the infrastructure facilities pending the determination of the reimbursement amount ~~[or federal preclearance]~~, all interest accrued on the escrowed funds shall be paid to the developer whether or not the annexation is valid. Upon placement of the funds in the escrow account, the annexation may become effective. In the event a municipality timely escrows all estimated reimbursable amounts as required by this subsection and all such amounts, determined to be owed, including interest, are subsequently disbursed to the developer within five days of final determination in immediately available funds as required by this section, no penalties or interest shall accrue during the pendency of the escrow. Either the municipality or developer may, by written notice to the other party, require disputes regarding the amount owed under this section to be subject to nonbinding arbitration in accordance with the rules of the American Arbitration Association.

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

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

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

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

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

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

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

(1) a tier 1 municipality; and

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

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

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

(1) a tier 1 municipality; and

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

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

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

(1) consents to the annexation; and

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

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

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

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

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

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

(a) This section applies only to:

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

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

(B) is located in a county with a population of 85,000 or more that is not adjacent to a county with a population of 2 million or more;[s] or

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) If the governing body fails or refuses to disannex the area within 60 days after the date of the receipt of the petition, any one or more of the signers of the petition may bring a cause of action in a district court of the county in which the area

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

(1) perform its obligations in accordance with:

(A) the service plan under Section 43.056;

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

(C) the resolution adopted under Section 43.0682 or 43.0692, as

applicable; or

(2) ~~failed to~~ perform in good faith.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) Travis County Municipal Utility District No. 4;
- (2) Travis County Municipal Utility District No. 5;
- (3) Travis County Municipal Utility District No. 6;
- (4) Travis County Municipal Utility District No. 7;
- (5) Travis County Municipal Utility District No. 8;
- (6) Travis County Municipal Utility District No. 9; and
- (7) Travis County Water Control and Improvement District No. 19.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) Travis County Municipal Utility District No. 3;
- (2) Travis County Municipal Utility District No. 4;
- (3) Travis County Municipal Utility District No. 5;
- (4) Travis County Municipal Utility District No. 6;
- (5) Travis County Municipal Utility District No. 8;
- (6) Travis County Municipal Utility District No. 9; and
- (7) Travis County Water Control and Improvement District No. 19.

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

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

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

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

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

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

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

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

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

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

- (1) Travis County Municipal Utility District No. 3;
- (2) Travis County Municipal Utility District No. 4;
- (3) Travis County Municipal Utility District No. 5;
- (4) Travis County Municipal Utility District No. 6;
- (5) Travis County Municipal Utility District No. 7;
- (6) Travis County Municipal Utility District No. 9; and
- (7) Travis County Water Control and Improvement District No. 19.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 55. The changes in law made by this Act apply only to the annexation of an area that is not final on the effective date of this Act. An annexation of an area that was final before the effective date of this Act is governed by those portions of Chapter 43, Local Government Code, that relate to post-annexation procedures and requirements in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 56. This Act takes effect December 1, 2017.

Floor Amendment No. 15

Amend **CSSB 6** by inserting a new SECTION ____ to read as follows and renumbering subsequent sections accordingly:

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

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

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

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

Floor Amendment No. 22

Amend **CSSB 6** (house committee printing) on page 1, by striking lines 10-11 and substituting the following:

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

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

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

Floor Amendment No. 24

Amend **CSSB 6** as follows:

On page 4, strike line 6-12 and insert the following:

(b) A municipality may annex for full or limited purposes, under the annexation provisions applicable to that 5 municipality under this chapter, any part of the area located within five miles of the boundary of a military base in which an active training program is conducted. The annexation proposition shall be stated to allow the voters

of the area to be annexed to choose between either annexation or providing the municipality with the authority to adopt and enforce an ordinance regulating the land use in the area in the manner recommended by the most recent joint land use study.

Floor Amendment No. 25

Amend **CSSB 6** (house committee report) by striking page 1, lines 12-13, and substituting the following:

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

(A) is not a tier 1 county; or

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

Floor Amendment No. 1 on Third Reading

Amend **SB 6** (on third reading) as follows:

- (1) On page 7, line 10, between the comma and "redesignated", insert "and".
- (2) On page 7, line 11, strike "and amended".
- (3) On page 7, line 13, strike "(a)".
- (4) On page 7, strike lines 19-23.

(Senator Huffman in Chair)

The amendments were read.

Senator Campbell moved to concur in the House amendments to **SB 6**.

The motion prevailed by the following vote: Yeas 21, Nays 10.

Yeas: Bettencourt, Birdwell, Buckingham, Burton, Campbell, Creighton, Estes, Hall, Hancock, Huffines, Huffman, Hughes, Kolkhorst, Nelson, Nichols, Perry, Schwertner, Seliger, Taylor of Galveston, Taylor of Collin, Uresti.

Nays: Garcia, Hinojosa, Lucio, Menéndez, Miles, Rodríguez, Watson, West, Whitmire, Zaffirini.

STATEMENT REGARDING SENATE BILL 6

Senator Schwertner submitted the following statement regarding **SB 6**:

The process of involuntary municipal annexation is a controversial undertaking that impacts the lives of thousands Texas families, including many in Senate District 5. Citizens of this state deserve a voice in their governance and taxation, as well as the ability to decide whether or not it is in their best interest to incorporate their respective communities into neighboring cities. This basic right of self-determination deserves to be applied fairly and equally to all Texans.

By limiting the rights and protections afforded by SB 6 to only those communities in counties with populations of more than 500,000, this legislation falls considerably short of ensuring that this basic principle of fairness will be extended to all Texans. While I would clearly prefer a solution that would afford all Texas communities the ability to vote on voluntary municipal annexation, I nonetheless believe that SB 6 represents an important step forward in the protection of private property rights and one which I sincerely hope to see expanded to all Texans in future legislative sessions.

SCHWERTNER

**SENATE RULE 11.10(a) SUSPENDED
(Public Notice of Committee Meetings)**

On motion of Senator Nelson and by unanimous consent, Senate Rule 11.10(a) was suspended in order that the Committee on Finance might meet today.

RECESS

On motion of Senator Whitmire, the Senate at 6:24 p.m. recessed until 7:30 p.m. today.

AFTER RECESS

The Senate met at 8:13 p.m. and was called to order by the President.

GUESTS PRESENTED

Senator Huffines was recognized and introduced to the Senate his wife, Mary Catherine, and family members from Wheaton, Illinois.

The Senate welcomed its guests.

ADJOURNMENT

On motion of Senator Whitmire, the Senate at 8:15 p.m. adjourned until 8:18 p.m. today.