

SUBJECT: Limiting a municipality's ability to annex

COMMITTEE: Land and Resource Management — committee substitute recommended

VOTE: 5 ayes — Deshotel, Bell, Cyrier, Krause, Sanford

1 nay — E. Thompson

1 absent — Lucio

WITNESSES: For — Jane Cohen

Against — Virginia Collier, City of Austin; Melinda Ramos, City of Fort Worth; Scott Houston, Texas Municipal League; Bob Riley; (*Registered, but did not testify*: Jennifer Rodriguez, City of College Station; Tom Tagliabue, City of Corpus Christi; Lindsey Baker, City of Denton; Lindsay Lanagan, City of Houston; Jeff Coyle, City of San Antonio)

BACKGROUND: Local Government Code, ch. 43 governs municipal annexation.

DIGEST: CSHB 2221 would make changes to Local Government Code, ch. 43 relating to municipal annexation, including those highlighted below.

**Limited purpose annexation.** The bill would prohibit a municipality from annexing an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area. This would supersede any municipal charter provision that conflicted with the prohibition.

**General authority to annex.** The bill would allow a municipality to annex an area that was noncontiguous to the boundaries of the municipality if the area was in the municipality's extraterritorial jurisdiction. It also would allow a municipality to annex an area upon the request of each owner of the land, subject to the governing body of the municipality meeting requirements to enter into a written agreement that included the services to be provided and to hold public hearings as defined in the bill.

**Areas under a municipal annexation plan.** The bill would create one process and set of requirements for areas with populations of less than 200 and another for areas with populations of 200 or greater.

To annex an area with a population of less than 200, the bill would require the municipality to obtain consent by petition of more than 50 percent of registered voters in the area or more than 50 percent of owners of land in the area if registered voters did not own more than 50 percent of the land

To annex an area with a population of 200 or more, the bill would require the municipality to hold an election in the area to be annexed by which the majority of qualified voters approved an annexation and also to obtain consent through a petition signed by more than 50 percent of the owners of land in the area if the qualified voters did not own more than 50 percent of the land in the area.

The bill also would define the types of public hearings and notifications that would be required through these processes, the time frames certain steps in the processes would have to follow, and how the results of petitions, elections, or protest petitions would be handled. In addition to these requirements, a municipality proposing to annex an area would be required to adopt a resolution that would include specified elements, including a statement of intent to annex, a description and map of the area to be annexed, and a description of the services to be provided under the annexation.

**Strategic partnership agreements.** The bill would prohibit strategic partnership agreements from providing for limited purpose annexation starting September 1, 2015. It also would make changes to provisions governing areas that were annexed for a limited purpose as these were authorized before September 1, 2015.

The bill would take effect September 1, 2015, and would not apply to an annexation for which the first hearing notice was published before that date.

**SUPPORTERS  
SAY:**

CSHB 2221 would prevent cities from annexing areas around them without the desire or consent of residents. Cities still would be able to annex areas outside their limits under the bill, but they would first have to get buy-in from residents via an election. This would place more power in the hands of residents potentially affected by annexation and would give property owners a greater voice in their destinies.

The bill would protect the rights of property owners throughout the state. A property owner who chooses to live outside the jurisdiction of a city should not have to worry about the property being subject to annexation one day, unless the individual received an opportunity to make that decision through an election.

The bill also would speed up and streamline the process of annexation if consent was obtained, which would reduce associated costs for all parties and bring about shared benefits sooner if annexation was desired.

Limited purpose annexations provide no services and few benefits to the areas annexed and should be eliminated. Strategic partnership agreements should not be used to force areas into a limited purpose annexation that goes against the residents' wishes.

**OPPONENTS  
SAY:**

CSHB 2221 essentially would eliminate cities' ability to annex areas around them by requiring elections in many areas and eliminating limited purpose annexation. The power to annex allows cities to expand their tax bases and ensure that residents living outside city limits help pay for the services they use. This is especially important in growing urban areas. The petition and election process required under the bill would be both complicated and excessive and would withhold from many cities the additional financial support they need from the ability to annex surrounding areas.

Texas cities receive little to no financial assistance from the state, yet they pay for infrastructure and services that benefit everyone, including roads, public safety systems, and utilities. Without the ability to annex, cities

could begin to deteriorate as the growing populations around them choose not to contribute to the city's tax base, which supports maintenance and infrastructure that benefit residents and non-residents alike.

In addition, limited purpose annexations have worked well for many communities because they allow the city to plan for the extension of municipal services to coincide with development activity in the region. This enhances the quality of life for all residents. Strategic partnership agreements have worked well for areas that utilize special districts.