

## **BILL ANALYSIS**

Senate Research Center

H.B. 3367  
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Intergovernmental Relations  
5/12/2007  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In order to promote economic growth within the bounds of a large municipality, it may be in the best interest of a home-rule municipality and another municipality that falls within the home-rule municipality's corporate boundaries to enter into a boundary change agreement.

H.B. 3367 authorizes two municipalities to agree to a boundary change that would release an area of the home-rule municipality to another municipality as long as both entities agree to the terms of the release.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 43, Local Government Code, by adding Section 43.035, as follows:

Sec. 43.035. TRANSFER OF AREA AND CHANGE IN BOUNDARIES BETWEEN CERTAIN MUNICIPALITIES. (a) Provides that this section applies only to certain areas.

(b) Authorizes a home-rule municipality with a population of more than 1.1 million to enter into a boundary change agreement (agreement) before December 31, 2008, with another municipality with a population of more than 5,000 to release an area described by Subsection (a) from the home-rule municipality's corporate boundaries and transfer the area to be included within the corporate boundaries of the other municipality. Requires the agreement to be adopted by ordinance or resolution of the governing body of each municipality and to describe the area by metes and bounds description.

(c) Requires the owners of a majority of the acreage of land contained in an area described by Subsection (a) to consent in writing to the release and transfer of the area to be included within the corporate boundaries of the other municipality. Requires the owners' written consent to the release and transfer to contain a metes and bounds description of the area and be submitted to each municipality that is a party to the boundary change agreement prior to the governing body's approval of the agreement.

(d) Authorizes the other municipality that is a party to an agreement authorized by this section, as a term or condition of the boundary change agreement, to agree to share with the home-rule municipality a portion of its local sales tax revenue or ad valorem tax revenue, or both, attributable to the area that is the subject of the boundary change agreement, for a defined period of time.

(e) Authorizes the agreement to establish an effective date of the boundary change and to be subject to agreed upon conditions precedent. Requires the area released and transferred as authorized by this section, on the effective date of the boundary change, to cease to be part of the home-rule municipality and be

included within the corporate boundaries of the other municipality for all purposes and requires the corporate boundaries to be extended to include the area. Requires the extraterritorial jurisdiction of each municipality to also be expanded or decreased in accordance with the changes in the municipality's boundaries. Requires each municipality to modify any official map or other applicable document to reflect the change in its boundaries. Requires the area that is the subject of the boundary change agreement to be bound by any and all acts, ordinances, codes, resolutions, and regulations of the other municipality.

(f) Provides that, notwithstanding any other provision of Chapter 43 (Municipal Annexation), Sections 43.031, 43.051-43.057, 43.061-43.065, 43.148, and 43.905 do not apply to any area that is the subject of, or to any party to, a boundary change agreement authorized by this section.

(g) Requires the provisions of this section, in the event any provision of the charter of a home-rule municipality described by Subsection (a)(2) is in conflict with any provision of this section, to supersede and control over any conflicting charter provision.

SECTION 2. Effective date: upon passage or September 1, 2007.