

**SUBJECT:** Modifying municipal annexation authority and processes

**COMMITTEE:** Land and Resource Management — committee substitute recommended

**VOTE:** 5 ayes — Herrero, Bell, Bailes, Krause, Stucky

1 nay — Blanco

1 absent — Faircloth

**SENATE VOTE:** On final passage, April 24 — 20-10 (Garcia, Hinojosa, Lucio, Menéndez, Rodríguez, Uresti, Watson, West, Whitmire, Zaffirini)

**WITNESSES:** *On House companion bill, HB 424:*

For — Richard Cash, Committee to Incorporate Alamo Ranch; Glenda Haynes and Michael Stewart, Homeowners Against Annexation; Alton Moore, Hudson Bend Incorporation Committee; Robin Lennon, Kingwood Tea Party; Michael Misikoff, Peninsula at Westlake; James Quintero, Texas Public Policy Foundation; John Carlton, Texas State Association of Fire and Emergency Districts; Howard Hagemann, Janet Maxey, and Shirley Ross, Wells Branch MUD; Charles Walters, Wells Branch Neighborhood Association; and nine individuals; (*Registered, but did not testify:* Justin Keener, Americans for Prosperity -Texas; Trevor Wortes, Bexar County Emergency Services District #2 Fire Department; Barbara Green, Martha Kantor, and Michael Kantor, Homeowners Against Annexation; Roger Borgelt, North Austim MUD #1, River Place RCA, Peninsula at Westlake; Clayton Hadick, NW 151 Annexation Board; Tim Mattox, River Place Home Owners Association; Grant Walker, River Place Neighborhood; Terri Hall, Texans Uniting for Reform and Freedom (TURF); Jeremy Fuchs, Texas and Southwestern Cattle Raisers Association; Marissa Patton, Texas Farm Bureau; William Anderson, Upper Bull Creek HOA; and 44 individuals)

Against — Virginia Collier, City of Austin; Dana Burghdoff and Melinda Ramos, City of Fort Worth; Michael Quint, City of McKinney; Joe Krier and Peter Zanoni, City of San Antonio; Craig Farmer, City of

Weatherford; C. Leroy Cavazos-Reyna, San Antonio Hispanic Chamber of Commerce; Scott Houston, Texas Municipal League; (*Registered, but did not testify*: Julie Acevedo, City of Baytown; Mario Martine, City of Brownsville; Jennifer Rodriguez, City of College Station; Tom Tagliabue, City of Corpus Christi; Lindsey Baker, City of Denton; Evelyn C. Castillo, City of Edinburg; Guadalupe Cuellar, City of El Paso; T.J. Patterson, City of Fort Worth; Tony Privett, City of Lubbock; Karen Kennard, City of Missouri City; Rick Ramirez, City of Sugar Land; Bill Kelly, Mayor's Office, City of Houston; Richard Perez, San Antonio Chamber of Commerce; Kelly Davis, Save Our Springs Alliance)

On — Bill Fry, Association of Water Board Directors - Texas; Col. Jonathan Wright, United States Air Force; John Hockenyos; David Smith

**BACKGROUND:** Local Government code, ch. 43 governs municipal annexation, including annexing authority, requirements for cities to annex based on population, procedures for limited purpose annexation, and the process for disannexation.

**DIGEST:** CSSB 715 would make various changes to Local Government Code, ch. 43 relating to municipal annexation, including limiting certain municipalities' ability to annex an area for certain limited purposes. The bill also would provide processes for annexing areas depending on population and would allow a municipality to annex an area at the request of each landowner in that area.

**Limited purpose annexation.** The bill would prohibit certain municipalities from annexing an area for the limited purposes of applying its planning, zoning, health, and safety ordinances in the area. This prohibition would apply to a municipality wholly or partly located in a county with a population of at least 500,000 or to a municipality wholly located in one or more counties each with a population of less than 500,000 that proposed to annex an area in a county with a population of at least 500,000.

**Annexation authority.** The bill would allow certain municipalities to

annex an area noncontiguous to its boundaries if the area was in the municipality's extraterritorial jurisdiction. Such a municipality also could annex an area if it were requested by each landowner in the area. The municipality would need to negotiate and enter into a written agreement with local landowners for the provision of services and hold at least two public hearings before annexing the area. These provisions would apply to a municipality wholly or partly located in a county with a population of at least 500,000 or to a municipality wholly located in one or more counties each with a population of less than 500,000 that proposed to annex an area in a county with a population of at least 500,000.

**Roads.** The bill would allow a municipality in a county of at least 500,000 to annex by ordinance a road or the right-of-way of a road at the request of the road's owner or managing political subdivision.

**Municipal annexation plan.** CSSB 715 would create a set of procedures and rules for annexing areas with a population of less than 200 and another for annexing areas with a population of 200 or more. These procedures would apply to a municipality wholly or partly located in a county with a population of at least 500,000 or to a municipality wholly located in one or more counties each with a population of less than 500,000 that proposed to annex an area in a county with a population of at least 500,000.

To annex an area with a population of less than 200, a municipality would need to obtain consent through a petition signed by more than half of the registered voters in the area.

To annex an area with a population of 200 or more, a municipality would need to:

- obtain consent through an election at which a majority of votes received were in favor of annexation; and
- if registered voters did not own more than half of the land in the area, obtain consent through a petition signed by more than half of area landowners.

CSSB 715 would establish timeframes for steps in the annexation process, requirements for public hearings and notifications, and procedures for handling petitions, elections, and protest petitions. The bill would require a municipality proposing to annex an area to adopt a resolution with a statement of intent to annex, a detailed description and map of the area to be annexed, and a description of the services to be provided to the area by the municipality upon annexation.

**Exemptions.** The bill would provide certain exceptions to its annexation requirements in situations such as annexation related to strategic partnerships.

This bill would take effect September 1, 2017, and would apply only to the annexation of an area that was not final before that date.

**SUPPORTERS  
SAY:**

CSSB 715 would prevent certain cities from annexing areas around them without the consent of residents in those areas, protecting the rights of property owners throughout the state. These cities still could annex areas outside their limits under the bill, but they first would have to obtain buy-in from residents and receive approval through an election or petition. This would place more power in the hands of residents potentially affected by annexation and would give property owners a greater voice in the governance of their property.

The bill would not prohibit municipal annexation. In fact, it would streamline the process and allow annexation to take place more quickly if it were desired, bringing about shared benefits sooner.

Limited purpose annexations often provide no services and few benefits to the areas annexed and should be eliminated in certain cases.

**OPPONENTS  
SAY:**

CSSB 715 would limit many cities' ability to annex territory around them by requiring elections in certain areas. The power to annex allows cities to expand their tax bases and ensure that residents living outside city limits help pay for services from which they benefit. The petition and election

process required by the bill would be complicated and excessive and allow a small group of people relative to the regional population to prevent cities from accessing the additional financial support derived from annexation.

The bill also would eliminate limited purpose annexation in some cases. These types of annexations have worked well because they allow a city to plan for extension of municipal services to coincide with development activity in the region and to impose development standards for protection of the region's environment, enhancing the quality of life for all residents.

NOTES:

CSSB 715 differs from the Senate-passed version in certain ways, including that the committee substitute would apply various provisions, such as the prohibition on limited purpose annexation, based on certain population brackets.

A companion bill, HB 424 by Huberty, was reported favorably by the House Land and Resource Management Committee on April 28 and placed on the General State Calendar for May 8.