

## **BILL ANALYSIS**

Senate Research Center  
82R15837 EAH-F

H.B. 1643  
By: Zerwas (Hegar)  
Economic Development  
5/6/2011  
Engrossed

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

H.B. 1643 proposes a general law amendment to Subchapter G (Agreement Governing Certain Land in a Municipality's Extraterritorial Jurisdiction), Chapter 212 (Municipal Regulation of Subdivisions and Property Development), Local Government Code, relating to development agreements between a city and a landowner located within the city's extraterritorial jurisdiction (ETJ).

Landowners and cities have used development agreements as a critical tool in planning for the development of property within a city's ETJ. These agreements, as authorized by Subchapter G, Chapter 212, Local Government Code, have been utilized to establish mutually agreeable terms and conditions for the development of property for the duration of the project development.

The content of a development agreement will vary among differing cities. Subjects frequently addressed by the development agreement include standards for the design and construction of public infrastructure, provision of water and sewer services, terms and conditions of annexation of property into the district, the use of special districts, such as a municipality utility district, to serve the property, and general land planning purposes.

H.B. 1643 clarifies that the maximum term of a development agreement is 45 years. Under existing law, the initial term of a development agreement may be up to 15 years, subject to subsequent renewals not to exceed 45 years. This bill clarifies that a municipality and landowner may agree to any term not to exceed 45 years that the parties determine to be appropriate.

H.B. 1643 amends current law relating to the duration of a development agreement governing land in the extraterritorial jurisdiction of certain municipalities.

### **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 Sections 212.172(b) and (d), Local Government Code, as follows:

(b) Authorizes the governing body of a municipality to make a written contract with an owner of land that is located in the extraterritorial jurisdiction of the municipality to:

- (1) guarantee the continuation of the extraterritorial status of the land and its immunity from annexation by the municipality, rather than guarantee the continuation of the extraterritorial status of the land and its immunity from annexation by the municipality for a period not to exceed 15 years;
- (2) extend the municipality's planning authority over the land by providing for a development plan to be prepared by the landowner and approved by the municipality under which certain general uses and development of the land are authorized;

(3) authorize enforcement by the municipality of certain municipal land use and development regulations in the same manner the regulations are enforced within the municipality's boundaries;

(4) authorize enforcement by the municipality of land use and development regulations other than those that apply within the municipality's boundaries, as may be agreed to by the landowner and the municipality;

(5) provide for infrastructure for the land, including streets and roads, street and road drainage, land drainage, and water, wastewater, and other utility systems;

(6) authorize enforcement of environmental regulations;

(7) provide for the annexation of the land as a whole or in parts and to provide for the terms of annexation, if annexation is agreed to by the parties;

(8) specify the uses and development of the land before and after annexation, if annexation is agreed to by the parties; or

(9) include other lawful terms and considerations the parties consider appropriate.

(d) Prohibits the total duration of the contract, rather than the original contract, and any successive renewals or extensions from exceeding 45 years. Deletes existing text authorizing the parties to a contract to renew or extend it for successive periods not to exceed 15 years each.

SECTION 2. Effective date: upon passage or September 1, 2011.