

BILL ANALYSIS

Senate Research Center

H.B. 2902
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Economic Development
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Changing municipal extraterritorial jurisdiction (ETJ) boundaries can cause owners and developers of planned communities to face the challenge of developing property under the building standards of multiple jurisdictions. When petitions representing the majority of property owners in a planned community are submitted to the governing body of a municipality, requesting that the municipality approve the release of the community's property from its ETJ in order to streamline the community's regulatory burden, only for the municipality's leaders to be nonresponsive, a legislative remedy becomes necessary.

H.B. 2902 seeks to address a particular example of this problem by establishing provisions relating to the release of ETJ by certain general-law municipalities.

Additionally, in many areas of the state, city limits and their ETJs are often in close proximity to one another. This is especially true in fast-growth communities around the state. Current law allows written interlocal agreements that define what areas are in each city's ETJ when it appears that land could be in overlapping ETJ.

H.B. 2902 allows the written local agreements to be honored even after actual annexation of the "locally apportioned" area. These types of agreements provide clarity and certainty for future development.

H.B. 2902 amends current law relating to 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 Section 42.022, Local Government Code, by amending Subsection (c) and adding Subsection (d), as follows:

(c) Prohibits the expansion of the extraterritorial jurisdiction (ETJ) of a municipality through annexation, request, or increase in the number of inhabitants from including any area in the existing ETJ of another municipality, except as provided by Subsection (d).

(d) Authorizes the ETJ of a municipality to be expanded through annexation to include area that on the date of annexation is located in the ETJ of another municipality if a written agreement between the municipalities in effect on the date of annexation allocates the area to the ETJ of the annexing municipality.

SECTION 2. Amends Section 42.023, Local Government Code, as follows:

Sec. 42.023. REDUCTION OF EXTRATERRITORIAL JURISDICTION. Prohibits the ETJ of a municipality from being reduced unless the governing body of the municipality gives its written consent by ordinance or resolution, except:

(1) in cases of judicial apportionment of overlapping ETJs under Section 42.901 (Apportionment of Extraterritorial Jurisdictions That Overlapped on August 23, 1963); or

(2) in accordance with an agreement under Section 42.022(d).

Makes nonsubstantive changes.

SECTION 3. Amends Subchapter B, Chapter 42, Local Government Code, by adding Section 42.0251, as follows:

Sec. 42.0251. RELEASE OF EXTRATERRITORIAL JURISDICTION BY CERTAIN GENERAL-LAW MUNICIPALITIES. (a) Provides that this section applies only to a general-law municipality:

(1) that has a population of less than 3,000;

(2) that is located in a county with a population of more than 500,000 that is adjacent to a county with a population of more than four million; and

(3) in which at least two-thirds of the residents reside within a gated community.

(b) Requires a municipality to release an area from its ETJ not later than the 10th day after the date the municipality receives a petition requesting that the area be released that is signed by at least 80 percent of the owners of real property located in the area requesting release.

SECTION 4. Effective date: upon passage or September 1, 2011.