

## **BILL ANALYSIS**

Senate Research Center

S.B. 1468  
By: Campbell  
Intergovernmental Relations  
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Enrolled

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

In 2017, the legislature passed reforms to give residents the right to vote on municipal annexation in tier 2 counties while exempting strategic partnership agreements between utility districts and municipalities based on the assumption that these residents had agreed to be annexed. In rare cases, however, the voice of these residents has been ignored or complicated by issues related to passage of S.B. 6. Such is the case of Shady Hollow, a central Texas community which now faces the threat of being divided into city and non-city residents because changes to state statute gave some residents the right to vote and excluded others.

S.B. 1468 ensures that communities like Shady Hollow have the opportunity to stay together and keep their cohesive, contiguous, and logical boundaries by requiring a municipality annexing a utility district under specific conditions to comply with Subchapter C-3, C-4, or C-5 of Chapter 43, Local Government Code. This would ensure that the full residents of Shady Hollow who rely on the district for their utility services retain their right to vote.

S.B. 1468 is limited in scope to apply only to agreements between a municipality and a municipal utility district which contemplates annexing 400 or more water and wastewater connections that are not located in the district. (Original Author's/Sponsor's Statement of Intent)

S.B. 1468 amends current law relating to annexation by certain municipalities of a special district under a strategic partnership agreement.

### **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 43.0751(s), Local Government Code, as follows:

(s) Provides that, notwithstanding any other law other than Section 43.083, rather than notwithstanding any other law, the procedures prescribed by Subchapters C-3 (Annexation of Area on Request of Owners: Tier 2 Municipalities), C-4 (Annexation of Areas With Population of Less Than 200: Tier 2 Municipalities), and C-5 (Annexation of Areas With Population of At Least 200: Tier 2 Municipalities) do not apply to the annexation of an area under this section (Strategic Partnerships For Continuation of Certain Districts).

SECTION 2. Amends Subchapter D, Chapter 43, Local Government Code, by adding Section 43.083, as follows:

Sec. 43.083. ANNEXATION BY CERTAIN MUNICIPALITIES THAT OPERATE MUNICIPALLY OWNED WATER UTILITY. (a) Provides that this section applies only to a municipality that:

(1) operates a municipally owned water utility;

(2) is a party to a strategic partnership agreement:

(A) with a municipal utility district; and

(B) under which the municipality contemplates annexing 400 or more water or wastewater connections that are not located in the district.

(b) Provides that a municipality authorized or required to annex a district for full purposes under a strategic partnership agreement under Section 43.0751:

(1) is prohibited from annexing the district without also annexing all of the unincorporated area served by the district that is located in the municipality's extraterritorial jurisdiction; and

(2) is required to receive approval for the annexations under the agreement and Subdivision (1) as required by Subchapter C-3, C-4, or C-5, as applicable, before annexation.

SECTION 3. Effective date: upon passage or September 1, 2019.