

BILL ANALYSIS

Senate Research Center
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S.B. 1338
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Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Although forced annexation is now illegal in Texas, some property owners in the extraterritorial jurisdiction of municipalities have reported continued pressure by municipalities offering certain development agreements requesting landowner consent to annexation. Accordingly, S.B. 1338 seeks to level the playing field for Texans by requiring municipalities to provide additional disclosures to property owners before they enter into such agreements consenting to annexation.

Specifically, S.B. 1338 would require a municipality, at the time it makes an offer to a landowner to enter into a development agreement, to provide the landowner with a written disclosure that includes: (1) a statement that the landowner is not required to enter into the agreement; (2) the legal authority under which the municipality is authorized to annex the land; (3) a plain-language description of the annexation procedures applicable to the land; and (4) whether the procedures require the landowner's consent. What's more, any annexation agreement for which such a disclosure is not provided would be considered void under this legislation.

As proposed, S.B. 1338 amends current law relating to disclosure requirements for agreements consenting to municipal annexation.

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 A, Chapter 43, Local Government Code, by adding Section 43.004, as follows:

Sec. 43.004. **REQUIRED DISCLOSURE BEFORE ANNEXATION AGREEMENT.**

(a) Requires a municipality, at the time the municipality makes an offer to a landowner to enter into an agreement in which the landowner consents to annexation, to provide the landowner with the written disclosure described by Section 212.172(b-1).

(b) Provides that an annexation agreement for which a disclosure is not provided in accordance with Subsection (a) is void.

SECTION 2. Amends Section 212.172, Local Government Code, by adding Subsections (b-1) and (b-2), as follows:

(b-1) Requires a municipality, at the time the municipality makes an offer to a landowner to enter into an agreement under Subchapter G (Agreement Governing Certain Land in a Municipality's Extraterritorial Jurisdiction), to provide the landowner with a written disclosure that includes:

(1) a statement that the landowner is not required to enter into the agreement;

(2) the authority under which the municipality is authorized to annex the land with references to relevant law;

(3) a plain-language description of the annexation procedures applicable to the land; and

(4) whether the procedures require the landowner's consent.

(b-2) Provides that an agreement for which a disclosure is not provided in accordance with Subsection (b-1) is void.

SECTION 3. Effective date: September 1, 2021.