

SUBJECT: Requirements for certain annexations by general-law municipalities.

COMMITTEE: Land and Resource Management — favorable, without amendment

VOTE: 7 ayes — Deshotel, E. Thompson, Bell, Cyrier, Krause, Lucio, Sanford  
0 nays

WITNESSES: For — (*Registered, but did not testify*: June Deadrick, CenterPoint Energy; Bill Stevens, Texas Alliance of Energy Producers; Stephen Minick, Texas Association of Business)

Against — None

BACKGROUND: Local Government Code, ch. 43, subch. B, governs municipal annexation. Sections 43.033 and 43.034 describe annexations pursued without the consent of the residents, voters, or property owners in the area to be annexed.

DIGEST: HB 1277 would create additional requirements for a general-law municipality that wished to annex an area in which 50 percent or more of the property to be annexed was primarily used for commercial or industrial purposes. For a municipality authorized to annex the area under the Local Government Code, the bill would require the municipality to obtain the written consent of the owners of a majority of the property in the area to be annexed. The consent would have to include a description of the area to be annexed and be signed by the property owners.

These annexation provisions would be an exception to the sections of Local Government Code that describe requirements for annexations that can be pursued without the consent of area residents, voters, or landowners (secs. 43.033 and 43.034).

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015, and would apply only to annexations for which

the first hearing notice, as required under the Local Government Code, was published on or after that date.

**SUPPORTERS  
SAY:**

HB 1277 would make annexation a fairer process by requiring consent of commercial and industrial landowners in certain cases where land was subject to annexation without consent.

Annexation does not necessarily benefit all landowners. Properties being used for commercial or industrial purposes often do not need the services that they could receive if annexed to a municipality. In addition, they could be subject to more taxes if they were annexed.

In most cases, current law allows for a majority of landowners or registered voters in an area that has been annexed without consent to vote by petition for disannexation beginning one year after the annexation has occurred. This process can put owners of larger pieces of commercially or industrially purposed land at a disadvantage. While commercial property owners might own a greater percentage of the land in an area being annexed, they could be outnumbered by multiple voters who reside on smaller pieces of property in that area. HB 1277 would help level this playing field by requiring that commercial property holders who owned more than half of an area of land give their consent before it was annexed.

**OPPONENTS  
SAY:**

HB 1277 would give greater power to business owners than other property owners or residents with respect to annexation in certain situations. The bill also could create additional barriers for municipalities needing to annex areas for legitimate reasons, such as to expand their tax bases.