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LSG Floor Report For Postponed Business- Friday, August 11, 2017

<p>HJR 27 By: Leach</p>	<p>Proposing a constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of part of the market value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran based on the disability rating of the veteran and harmonizing certain related provisions of the constitution.</p>	<p>Ways & Means</p>	<p>HJR 27 is the Constitutional Amendment that would authorize the Legislature to amend the disability rating for veterans with a disability rating of 80% but less than 100% to be eligible for a homestead exemption equal to the disabled veteran's rating. Surviving spouses who qualify for the exemption if the spouse has not remarried, the property was their residence when the disabled veteran died, and remains their residence homestead. Surviving spouses can transfer the same percentage of the exemption on their previously owned property. While it's important to give back to our veterans and honor their service there are concerns that this HJR and the enacting legislation will have a negative impact on local taxing units and the revenue they can generate. The LBB projected a \$212,566,000 revenue loss by August 31, 2021.</p>	<p>Favorable w/concerns Evaluated by: Ana Ramon 210-382-4295 Ana@Texaslsg.org</p>
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LSG Floor Report For General Calendar-Senate Bills- Friday, August 11, 2017

<p>SB 6 By: Campbell / et al. SP: Huberty</p>	<p>Relating to municipal annexation.</p>	<p>Land & Resource Management</p>	<p>SB 6 revises provisions related to annexation. With the creation of home-rule over 100 years ago, Texas has been able to grow dynamic cities that provide homes to millions of Texans. The annexation process allows for the necessary growth required to keep up with the needs of Texas families. Legislation that would stifle the expansion of cities by unincorporated subdivisions will place a chokehold on Texas cities and begin the process of urban decline. The bill adds the following definitions:</p> <ul style="list-style-type: none"> • Tier 1 County: population less than 500,000 • Tier 2 County: Anything other than a tier 1 county or counties with a population greater than 500,000 • Tier 1 Municipality: A municipality located in one or more tier 1 counties which is proposing to annex an area located in one or more tier 1 counties. This includes all municipalities located in tier 1 counties. • Tier 2 Municipality: A municipality located in one or more tier 2 counties which is proposing to annex an area located in one or more tier 2 counties. 	<p>Unfavorable Evaluated by: Ana Ramon 210-382-4295 Ana@Texaslsg.org</p>
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<p>General Authority Provisions</p> <p>The bill outlines a process for municipalities to annex enclaves. SB 6 also outlines the process by which industrial districts can be annexed by municipalities. The annexation of the industrial park can occur as outlined for tier 1 counties but special provisions are instituted if the industrial park is subject to certain types of contracts. This would make the annexation dependent on the contract’s expiration date or as permitted by the contract. The bill also allows for a municipality to annex an area within 5 miles of a military base which is currently used for an active training program. This can occur once the municipality adopts a resolution that promises to maintain military operations after annexation. This bill expands to all municipalities provisions that currently only apply to municipalities smaller than 1.6 million. The most notable is a provision that allows property owners to negotiate services in areas to be annexed.</p> <p>The bill outlines the notices that must be provided when a municipality seeks to annex an area. The notices include: notice of the proposed area to be annexed, notice of the first hearing, notice of proposal to enter into a strategic partnership agreement concerning a certain water district. The municipality can’t continue with the annexation process until the public and political subdivisions within the area receive the required notices.</p> <p>Provisions for Tier 1 Municipalities</p> <p>This bill repeals provisions that would have municipalities with populations of 1.6 million or more from having the ability to annex an area that is less than 1,500 feet wide and 1,500 feet of the perimeter area has the same boundaries as the municipality. Tier 1 counties are subject to current annexation requirements.</p> <p>Provisions for Tier 2 Municipalities</p> <p>This bill institutes provisions that only apply to tier 2 municipalities. The list of services adds solid waste collection to a list of services that a tier 2 municipality must provide to the area annexed within a certain time period. The bill allows a tier 2 municipality the ability to annex an area once each landowner provides a written agreement detailing the services and hearings to take place throughout the annexation process. These municipalities can annex an area with a population less than 200 if: they acquire a petition with more than 50% of the registered voters in the area to be annexed or if the petition is signed by more than 50% of the landowners in the area. The bill details the procedures and notification that must occur for this type of annexation to take place. If the area has a population of 200 or more the municipality must hold an election in the proposed area of annexation. A simple majority of the votes will determine whether an annexation can occur. If the registered voters do not own more than 50% of the land the municipality can annex the area with a petition that contains 50% of the landowner's approval. A municipality under these provisions must provide the following information to all landowners: a list of services to be provided on or after the effective date of the annexation, mail a notice of the proposed annexation to each resident and property owner in the area, and hold hearings.</p> <p>Other Municipality Provisions</p> <ul style="list-style-type: none"> • Revises provisions related to the continuation of certain water districts and certain procedures pertaining to annexation • Restricts the authorization of a general-law municipality to annex a municipally owned reservoir without the consent of the landowners. • For tier 1 municipalities, the bill restricts the authorization to annex a municipally owned airport without similar consent by the landowners. Similar restrictions apply to a tier 2 municipality.
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			<ul style="list-style-type: none"> • SB 6 replaces the authorization of a home-rule municipality with a population less than 11,000 and located in a county with a population less than 3.3 million to annex a municipally owned airport that is not adjacent to the municipality. The municipality must seek the necessary approval by the landowners before they can annex the area. • The bill restricts the authority of a general-law municipality with a population of 500 or more to annex an area, without the consent of any person, that runs adjacent and parallel to a tier 1 municipality. The bill additionally restricts the ability of tier 1 municipalities from annexing similar areas. • The bill allows for tier 2 municipalities to annex a road or right-of-way if requested by the owner of the property. • The bill authorizes a tier 2 home-rule municipality with more than 225,000 inhabitants by a certain date to annex an area and apply certain city ordinances. This municipality must use applicable tier 2 procedures to annex the area. • The bill also makes changes to the procedures by which a dis-annexation can occur. This is based on the municipalities ability to provide services. It also revises the provisions relating to the alteration of the annexation status of certain municipal utility districts. • It repeals the requirement for municipalities to seek federal clearance prior to annexation. <p>Special District Local Law Provisions SB 6 amends the Special District Local Laws Code to remove the ability of a municipality to annex certain Travis County Municipal Utility Districts unless the municipality completes the following procedures: The bills require a governing body of the municipality that plans to annex an area of the aforementioned districts to adopt a resolution of intention regarding the annexation. After adoption of the resolution the municipality shall hold an election to determine whether the annexation can occur or not. The municipality holding the election shall pay for the cost to hold the election. This bill applies to the annexation of an area that is not completed on the bill's effective date.</p> <p>Historically, when cities have curtailed the ability for cities to annex they saw a deterioration of their populations and economies. Please see the chart provided by the TML regarding the historical implications of annexation on cities.</p>	
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Three cities that did not grow through annexation

	Land Area Sq. Mi.		City Population		Population
	1950	2010	1950	2010	Change
Detroit	140	139	1,849,568	713,777	-61%
Cleveland	75	78	914,808	396,815	-57%
St. Louis	61	62	856,796	319,294	-63%

Three Texas cities that grew in area through annexation

	Land Area Sq. Mi.		City Population		Population
	1950	2010	1950	2010	Change
Houston	160	600	596,163	2,099,451	252%
San Antonio	70	461	408,442	1,327,407	225%
Dallas	112	341	434,462	1,197,816	176%

