



TEXAS MUNICIPAL LEAGUE  
*Empowering Texas cities to serve their citizens*

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President **David Rutledge**, Mayor, Bridge City  
Executive Director **Bennett Sandlin**

March 29, 2023

The Honorable DeWayne Burns  
Chairman, House Land and Resource Management Committee  
Texas House of Representatives  
P.O. Box 2910  
Austin, TX 78768-2910

Dear Chairman Burns:

I am writing on behalf of the Texas Municipal League to express our opposition to **House Bill 2561** by **Representative Tepper**. H.B. 2561 would mandate that cities pay for special elections to reverse lawful annexations that took place up to eight years ago. The result of those elections has the potential to destabilize regional planning efforts, create service gaps in some of the fastest growing areas in the state, and force city taxpayers to subsidize the confusion caused by the bill.

The bill would require November 2023 disannexation elections in areas annexed during a “transition period” from a nonconsent annexation model to a consent annexation model, defined in the bill as occurring from March 3, 2015 to May 24, 2019. But the bill doesn’t just require elections for nonconsent annexations. The bill requires a disannexation election in any “area for which annexation was finalized” during the prescribed window. This means that every consent annexation or annexation pursuant to a development agreement also must be revisited. H.B. 2561 doesn’t distinguish between home rule and general law cities, though it was only home rule cities that saw their annexation authority change. In short, the bill requires a disannexation election in *any city* that annexed an area for *any reason* between 2015 and 2019.

H.B. 2561 also does not define “area” for purposes of an annexation that occurred during the four-year period. An area could include a residential subdivision; it could also include one lot. An area could include only commercial property for which there may not be an eligible voter to participate in the proposed November 2023 special election. Regardless of the nature of the annexation or character of the area annexed, the bill would require a separate election in each area. Elections aren’t cheap, but the bill would nonetheless require cities—and their taxpayers—to pay for special elections for each area. Some cities may have dozens of separate elections to hold to cover the annexations that occurred between 2015 and 2019.

The annexations being questioned by the bill occurred between four and eight years ago. They occurred in compliance with the law at that time, and city officials shouldn’t be punished for their inability to predict that the annexation system would eventually change. Not only are the annexations covered by the bill legally presumed to be valid at this point, but also consider that

city planning decisions have been based on those annexations. Debt has been issued to extend infrastructure, parks built and outfitted, and police officers and firefighters hired to provide essential services. Should the bill pass, and an election lead to the disannexation of certain territory, a strong possibility exists that some disannexed areas in cities will be surrounded by the city limits. Equally as likely is that some cities may have non-contiguous “islands” of the city separated from the traditional city limits.

These scenarios give rise to serious questions about the services to be provided in the disannexed areas under the bill. Though the bill states that a disannexed area is to receive fire and emergency medical services provided by an emergency services district, there’s no guarantee that the area disannexed is located anywhere near an ESD. In most cases, counties would be required to provide law enforcement services instead of the city police department, in addition to taking over road maintenance. The passage of the bill and subsequent disannexation of areas throughout a city’s current jurisdiction will lead to unnecessary complication concerning the provision of necessary services, given the patchwork of service coverage that will occur under the bill. The same is true regarding essential utility services – water, sewer, gas, solid waste, and broadband.

One final point not to be overlooked is the cost to be paid by city taxpayers to subsidize the exodus of some from the city under H.B. 2561. As mentioned above, the bill would mandate cities and their taxpayers to pay for hundreds of special elections across the state. Additionally, cities would be required to refund property taxes and fees paid by the residents disannexed pursuant to existing statute – Local Government Code Sec. 43.148. The impact of this requirement, plus the loss of property value from the city tax rolls, will only drive up the no-new-revenue tax rate in the city. Assuming the city adopts that higher rate just to maintain the same level of services, city taxpayers will see their taxes go up to pay for the disannexations that occurred. This in spite of the fact that those disannexed would continue driving the same city streets, enjoying the same city parks, and otherwise benefitting from all of the other amenities that the city has to offer.

The annexation process has undergone significant reform over the past six years. This committee finds itself in a position to take inventory of the impact, and chart a path forward under the new scheme for the good of all Texans. H.B. 2561 is a clear step backward. Please oppose it.

Sincerely,

A handwritten signature in black ink, appearing to read "Monty Wynn". The signature is fluid and cursive, with a large initial "M" and a long, sweeping tail.

Monty Wynn  
*Director, Grassroots and Legislative Services*  
*Texas Municipal League*