



TEXAS MUNICIPAL LEAGUE
Empowering Texas cities to serve their citizens

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

April 12, 2023

The Honorable Paul Bettencourt
Chairman, Senate Local Government Committee
Texas Senate
P.O. Box 12068
Austin, TX 78768-2068

Dear Chairman Bettencourt,

I am writing on behalf of the Texas Municipal League to express our opposition to **S.B. 369** by **Senator Campbell**. S.B. 369 would provide for the automatic disannexation of any area in a city that is not receiving full municipal services by December 31, 2023.

Based on the description in the bill analysis, there appears to be some confusion about the applicability of the bill. The analysis indicates that the bill only applies to a particular area annexed by the City of Austin. We believe this is inaccurate. There is nothing in the bill that specifically brackets it to one city. S.B. 369 calls for the automatic disannexation of any area, in any city, not receiving full municipal services. There are two exceptions to the automatic disannexation provision – if the city is not required to provide full municipal services under a service plan in Local Government Code Sec. 43.056, or pursuant to a written agreement on services, presumably adopted under Local Government Code Sec. 43.0672.

It should be pointed out that cities may not provide services to certain areas of the city for numerous reasons not covered by either one of these exceptions in the bill. For instance, some properties in a city may be on a septic system instead of the city's sewer system. Other areas may have undedicated private roads not maintained by the city. Certain neighborhoods may not have streetlights or fire hydrants. Other areas may receive services, like emergency services, from an ESD with overlapping jurisdiction with the city. Others may receive certain services from another political subdivision pursuant to an interlocal agreement entered into with the city. In other words, uniform services are not provided throughout cities in Texas for a number of valid reasons.

This leads to a critical point about understanding the scope of the bill. The bill requires the automatic disannexation of “any area” that does not receive full municipal services. Existing disannexation provisions—namely Local Government Code Sec. 43.141 on disannexation for failure to provide services—authorizes the disannexation of an “annexed area” when it does not receive full municipal services. S.B. 369 does not just force disannexation in areas that have been annexed into the city, but forces disannexation of *any area* in the city. This could include anything from a subdivision down to a single lot located even in the central portion of the city. The end

result would be the creation of significant service gaps throughout the city due to disannexations in areas that have been annexed and even those that have always been part of the city.

S.B. 369 mandates disannexation in areas not receiving full services, regardless of the property owner's desire to remain in the city. The bill would force every property owner in a given area from the city, thus potentially impacting their access to high quality public safety, utility, and transportation services. For years many fought to end the practice of "forced annexation." Ironically, were this bill to pass, the legislature would institute a system of "forced disannexation" with no regard for the property owner's opinion on remaining in the city.

Another point not to be overlooked is the cost to be paid by city taxpayers to subsidize the automatic removal of some from the city under S.B. 369. If the bill were to pass in its current form, cities would be required to issue tax and fee refunds to the disannexed property owners under existing state statute. Local Government Code Sec. 43.148 requires a city to refund property taxes and fees to the property owners in the disannexed area for the entire period the area was located in the city limits, only excluding the amount the city spent for the direct benefit of the area. Existing city taxpayers would be expected to subsidize this cost, despite 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.

S.B. 369 would disrupt critical services provided to Texans in hundreds of cities across the state and prove costly to city taxpayers. For these reasons, we oppose S.B. 369.

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 stylized "W".

Monty Wynn
Director, Grassroots and Legislative Services
Texas Municipal League