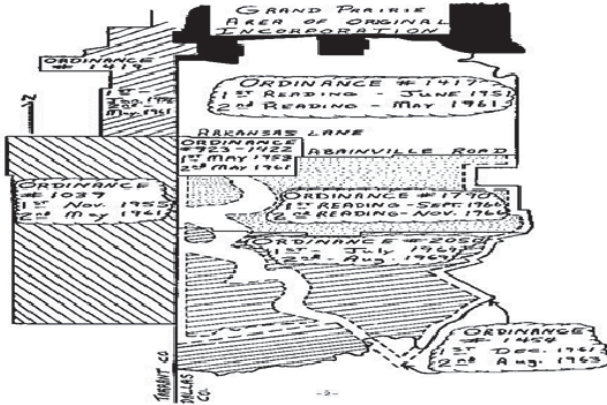


MUNICIPAL ANNEXATION: The New Reality?



Scott Houston
General Counsel
Texas Municipal League



Take Aways...

- How we got here and at the end where we're at
- Their narrative
- Our narrative
- S.B. 6: A gazillion different annexation processes
- What does the new law mean for the future of Texas?



How did we get where we are now?

- 1836/1845 – Special law cities (150,000)
- 1858 – General law cities (600,000)
- 1912 – Home rule cities (4,500,000)
- 1963 – Municipal Annexation Act (9,800,000)
- 1999 – Senate Bill 89 (plan and exempt)(21,000,000)
- 2001 – Election bills filed every subsequent session
- 2015 – House Bill 2221 (Died) (28,000,000)
- 2017 – HB 424/SB 715 (Died)
- 2017 Special – SB 6 (The New Reality?)
- 2040 – Estimated 45,000,000 population



Their Narrative...

Forced annexation is un-Texan and “piracy by government!”

Greg Abbott in San Antonio Express News (July 2017)

- If cities want to expand their tax base, they can attract new businesses and residents by following the state’s lead: Create a welcoming economic environment by lowering taxes, reducing burdensome regulations and speeding up permitting.
- Texas is still the envy of the nation. With our strong economy, overall lower costs of living and high quality of life, the Lone Star State remains the best place to raise a family, build a business and create greater opportunity for all.



Dallas Morning News – A Few Months Ago

- Another landowner estimates her family will pay at least an additional \$2,000 in city taxes a year once they're annexed.
She relocated two years ago with Toyota to Texas from a small house near the beach in Los Angeles with her husband and three kids.



Why are cities a good scapegoat?

- Texas ranks very low (45th) among the states in total per capita tax burden
- It ranks much higher (26th) in local taxes per capita
- WHY?
- Compared to those in other states, Texas cities and other local governments pay for more services that benefit the entire state
- And Texas local governments rely largely on the property tax to do so...



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First appeared as part of the conference materials for the
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"Annexation Update: Where Do We Go from Here?"