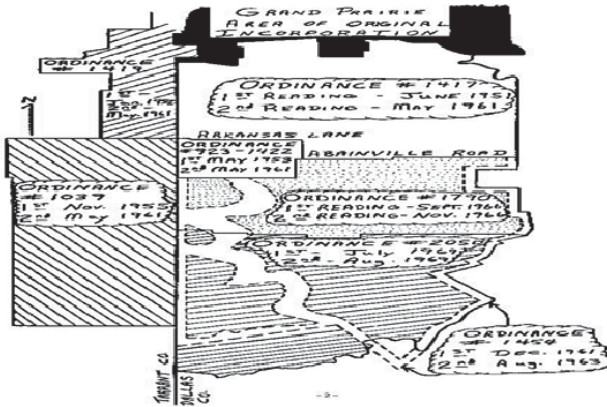


MUNICIPAL ANNEXATION: The New Reality?



Scott Houston
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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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"Annexation Update: Where Do We Go from Here?"