

# City of Houston Annexation Plan 2005 – 2007

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## Introduction

In the State of Texas, the Local Government Code defines a city's rights and responsibilities regarding properties within its boundaries and the area immediately surrounding its boundaries (called extraterritorial jurisdiction). This Code is where cities are given authority to change their boundaries either by annexation or disannexation.

Houston's extraterritorial jurisdiction (EJT) is essentially a five-mile band around the City's general-purpose boundaries, with the exception of when that band would intersect another municipality or its ETJ. Within its ETJ, Houston has limited authority over property within this area. Two notable examples are the imposition of Chapter 42 of the Code of Ordinances, a chapter relating to the development and subdivision of land, and the City's authority to consent to the creation and expansion of other governmental entities such as municipal utility districts (often referred to as MUDs).

Annexation is the other key authority a city has within its ETJ. Recent sessions of the Legislature have modified and expanded the manner in which Houston may annex property. The different types include:

**General Purpose annexation:** This type of annexation is the most commonly known. All of Houston's historically significant annexations have occurred in this manner. For general-purpose annexation, a city must meet a strenuous public notification requirement. Upon annexation, all affected property becomes part of the general-purpose boundaries and is effectively subject to all regulations, taxes and services provided by the city. Residents within this property are residents of the City of Houston and have all the rights and responsibilities afforded thereby. Property considered for general-purpose annexation must be included in a City's annexation plan at least three years prior to the attempt to annex. One instance where the three-year requirement is waived is if the property owner requests annexation.

**Limited Purpose annexation:** This type of annexation, authorized in the 1999 Legislature, may be conducted as part of a Strategic Partnership Agreement (SPA) with a utility district. It carries less stringent public notice requirements. The annexation typically includes commercial property only. Property (ad valorem) taxes are not levied on properties included in this type of annexation, but the city may levy a sales tax on retail sales conducted in the area. Properties annexed as part of a SPA do not carry the three-year requirement.

The SPA identifies which regulations and services, if any, are imposed in the area annexed. It also identifies the amount of sales tax to be levied and how much, if any, will be shared with the district. Finally, the SPA identifies the length of the agreement and the City's options for when and if the City might make the property subject to general-purpose annexation.

## The Annexation Plan

For the years 2005 – 2007, the City of Houston does not propose to annex any territory for general purposes that is required to be identified in an annexation plan, as required by provisions of the Local Government Code. The City will, however, consider the annexation of territory if requested by property owners. Furthermore, the City will continue to pursue SPAs with utility districts within the City's ETJ.