

<DateSubmitted>

HOUSE OF REPRESENTATIVES
CONFERENCE COMMITTEE REPORT

Mr. President:
Mr. Speaker:

The Conference Committee, to which was referred

HB1166

By: Kelley of the House and Howard of the Senate

Title: Cities and towns; annexation; procedures; annexation of territory without consent of majority of owners; effective date.

Together with Engrossed Senate Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the Senate recede from its amendment; and
2. That the attached Conference Committee Substitute be adopted.

Respectfully submitted,

House Action _____ Date _____ Senate Action _____ Date _____

SENATE CONFEREES

Howard	_____
Frix	_____
Paxton	_____
Daniels	_____
Stewart	_____
Brooks	_____

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

CONFERENCE COMMITTEE
SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 1166

By: Kelley, Miller, and
Steagall of the House

and

Howard, Murdock, Bullard,
and Sacchieri of the Senate

CONFERENCE COMMITTEE SUBSTITUTE

An Act relating to cities and towns; amending 11 O.S.
2021, Section 21-103, which relates to procedures for
annexation; modifying procedure for annexation of
territory without the consent of majority of owners;
and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 11 O.S. 2021, Section 21-103, is
amended to read as follows:

Section 21-103. A. Before the governing body of a city or town
may annex any territory adjacent or contiguous to the city or town,
it must obtain the written consent of the owners of at least a
majority of the acres to be annexed to the municipality and provide
for notice and a public hearing on the proposed annexation of the

1 territory in the manner provided in subsection B of this section.
2 The annexation of land by a connecting strip serving no municipal
3 purpose other than to establish statutory contiguity or
4 adjacentness, or to capture territory within the area to be annexed,
5 constitutes an impermissible exercise of state-delegated authority
6 by a municipality and shall be prohibited. Municipalities with a
7 population of twelve thousand (12,000) or less may only annex up to
8 eight (8) square miles in one area at any one time provided the
9 municipality obtains the written consent of the owners of at least
10 sixty-five percent (65%) of the acres to be annexed and twenty-five
11 percent (25%) of the population to be annexed.

12 B. The governing body shall provide the notice and public
13 hearing required in subsection A of this section in the following
14 manner:

15 1. The governing body of the municipality shall direct that
16 notice of the proposed annexation of the territory be published in a
17 legally qualified newspaper of general circulation in the territory
18 and shall describe the boundaries of the territory proposed to be
19 annexed by reference to a map, geographical locations, legal or
20 physical description or other reasonable designation. The notice
21 shall state the date, time, and place the governing body shall
22 conduct a public hearing on the question of annexing the territory.
23 The notice shall be published in a legal newspaper of general
24 circulation in the territory sought to be annexed within fourteen

1 (14) days following the date the governing body directed the notice
2 to be published;

3 2. A copy of the notice of annexation shall be mailed by first-
4 class mail to all owners of property to be annexed as shown by the
5 current year's ownership rolls in the office of the county treasurer
6 and to all owners of property abutting any public right-of-way that
7 forms the boundary of the territory proposed to be annexed and to
8 the Sales and Use Tax Division of the Oklahoma Tax Commission;
9 provided that the notice of annexation shall be mailed by certified
10 mail to every person who owns a parcel of land of five (5) acres or
11 more used for agricultural purposes; and

12 3. The public hearing of such annexation shall be held no
13 earlier than fourteen (14) days nor more than thirty (30) days
14 following the publication and mailing of the notice.

15 C. Unless otherwise provided by law, a roadway or road right-
16 of-way that is adjacent or contiguous to the territory to be annexed
17 shall be considered a part and parcel to the territory to be
18 annexed.

19 D. Before any territory is annexed to a municipality, ~~without~~
20 ~~the written consent of the owners of at least a majority of the~~
21 ~~acres to be annexed to the municipality in accordance with~~
22 ~~subsection A of this section, the governing body of the municipality~~
23 ~~shall direct that notice of the proposed annexation of the territory~~
24 ~~be published in a legally qualified newspaper of general circulation~~

1 ~~in the territory and shall hold a public hearing on the proposed~~
2 ~~annexation. Prior~~ and prior to the publication of notice pursuant
3 to subsection B of this section, the municipality shall prepare a
4 plan to extend municipal services including, but not limited to,
5 water, sewer, fire protection, law enforcement and the cost of such
6 services appropriate to the proposed annexed territory. The plan
7 shall be included in the notices published and mailed pursuant to
8 subsection B of this section. The plan shall provide that the
9 municipality complete the implementation of the plan in accordance
10 with any existing capital improvement plan applicable to the portion
11 of the municipality adjacent to the territory proposed to be
12 annexed. If no such capital improvement plan has been adopted, the
13 municipality shall complete the service plan within one hundred
14 twenty (120) months from the date of annexation unless a different
15 time is determined by consensus between property owners and the
16 municipality at the hearing. The time for completion of the service
17 plan shall be set forth in the ordinance annexing the territory. If
18 municipality services are not substantially complete within the
19 prescribed time, then the territory shall be detached by the
20 governing body as provided in Section 21-110 of this title. For
21 purposes of this subsection, services may be provided by any method
22 or means available to the municipality to extend municipal services
23 to any other area of the city or town. ~~Such notice, hearing and~~
24 ~~plan shall be subject to the following provisions:~~

~~1. The notice shall describe the boundaries of the territory proposed to be annexed by reference to a map, geographical locations, legal or physical description or other reasonable designation and shall state that the proposed service plan is available for inspection at a specified location. The notice shall state the date, time, and place when the governing body shall conduct a public hearing on the question of annexing the territory. The notice shall be published in a legal newspaper of general circulation in the territory sought to be annexed within fourteen (14) days following the date the governing body directed the notice to be published. A copy of the notice of annexation shall be mailed by first class mail to all owners of property to be annexed as shown by the current year's ownership rolls in the office of the county treasurer and to the Department of Transportation for purposes of clarifying any road maintenance responsibilities; provided that the notice of annexation shall be mailed by certified mail to every person who owns parcel of land of five (5) acres or more used for agricultural purposes and to the board of county commissioners of the respective county where the proposed annexation is located. If the territory to be annexed encroaches upon any adjacent county, a copy of the notice of annexation shall be mailed by first-class mail to the board of county commissioners of the adjacent county and of the county where the proposed annexation is located;~~

1 ~~2. The public hearing of such annexation shall be held no~~
2 ~~earlier than fourteen (14) days nor more than thirty (30) days~~
3 ~~following the publication and mailing of the notice; and~~

4 ~~3. The proposed service plan shall be available for inspection~~
5 ~~and be explained to the property owners of the territory to be~~
6 ~~annexed at the public hearing. The plan may be amended through~~
7 ~~negotiation at the hearing. The final service plan shall be~~
8 ~~incorporated into and made part of the ordinance annexing the~~
9 ~~territory. If the municipality fails to detach pursuant to Section~~
10 ~~21-110 of this title, then the majority of the annexed territory's~~
11 ~~qualified voters can file a petition with the municipality to~~
12 ~~deannex the territory. The petition must include a legal~~
13 ~~description of the area to be deannexed, contain a plat or similar~~
14 ~~depiction of the area and detail the reason for deannexation. The~~
15 ~~petition must be filed with the municipal clerk. If the~~
16 ~~municipality fails or refuses to deannex the area within ninety (90)~~
17 ~~days of receipt of the petition, any of the petitioners may bring a~~
18 ~~cause of action in district court to request deannexation. The~~
19 ~~district court shall enter an order deannexing the property if the~~
20 ~~court finds a valid petition was filed with the municipality and the~~
21 ~~municipality failed to perform its obligations in accordance with~~
22 ~~the service plan.~~

23 E. In any situation where the territory to be annexed by any
24 city or town includes land owned by a state beneficiary public trust

1 or that was previously owned and conveyed by a state beneficiary
2 public trust, annexation ~~shall not be carried out under the~~
3 ~~provisions of subsection D of this section, but instead~~ shall
4 require the written consent of all of said trust and transferees of
5 said trust.

6 F. The prevailing property owner in an annexation dispute shall
7 be entitled to court costs and reasonable attorney fees, including,
8 but not limited to, when a municipality withdraws, revokes or
9 otherwise reverses the ordinance at issue in response to litigation
10 before issuance of a final judgment.

11 G. As used in this section:

12 1. "Airport" means any facility owned by any legal entity or by
13 a county, a municipality or a public trust having at least one
14 county or municipality as its beneficiary which is used primarily
15 for the purpose of providing air transportation of persons or goods
16 or both by aircraft powered through the use of propellers,
17 turboprops, jets or similar propulsion systems;

18 2. "Military installation" means those facilities constituting
19 the active or formerly active bases owned by the Department of
20 Defense or other applicable entity of the United States government
21 or by any entity of local government after transfer of title to such
22 installation; and

23 3. "Spaceport" means any area as defined pursuant to Section
24 5202 of Title 74 of the Oklahoma Statutes.

1 H. Except for ordinances enacted pursuant to Section 43-101.1
2 of this title, parcels of land five (5) acres or more used for
3 agricultural purposes annexed into the municipal limits on or after
4 July 1, 2003, or parcels of land forty (40) acres or more used for
5 agricultural purposes prior to annexation and have continued in
6 uninterrupted agriculture use annexed into the municipal limits
7 shall be exempt from ordinances restricting land use and building
8 construction to the extent such land use or construction is related
9 to agricultural purposes. Where there is no residence within fifty
10 (50) feet of the boundaries of such a parcel of land, the property
11 shall not be subject to ordinances regulating conduct that would not
12 be an offense under state law; provided, that any such property that
13 discharges into the municipal water, wastewater, or sewer system
14 shall be subject to any ordinances or regulations related to
15 compliance with environmental standards for that system.

16 I. Parcels of land situated within an area that is or may be
17 subject to any form of land use or other regulatory control as a
18 result of proximity to an airport, spaceport or military
19 installation shall not be exempt from municipal ordinances or other
20 laws regulating property for the purpose of operations necessary for
21 the use of an airport, spaceport or military installation and such
22 parcels of land shall be subject to all ordinances enacted pursuant
23 to Section 43-101.1 of this title.

1 J. If territory is annexed pursuant to this section, the
2 annexing governing body shall provide notice by first-class mail
3 together with a map and plat of the annexed territory to the Sales
4 and Use Tax Division of the Oklahoma Tax Commission prior to the
5 effective date of such annexation. The Tax Commission shall notify
6 the known sales tax vendors within the boundaries of the annexed
7 territory as provided by Section 119 of Title 68 of the Oklahoma
8 Statutes.

9 SECTION 2. This act shall become effective November 1, 2025.
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11 60-1-13779 MJ 05/19/25
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