

<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)

2ND 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

2ND 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; modifying detachment procedures; prohibiting municipalities from attaching ad valorem taxes to an annexed area for sinking fund to satisfy certain judgment; limiting annexation of certain sized land areas unless municipality obtains written consent of certain percentage of owners and population; amending 11 O.S. 2021, Section 21-110, which relates to procedures for detachment of municipal territory; permitting detachment when certain conditions are met; amending 11 O.S. 2021, Section 21-111, which relates to liability of detached territory; prohibiting owners of land detached from a municipality from petitioning for annexation for ten years after detachment; 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 territory in the manner provided in subsection B of this section. The annexation of land by a connecting strip serving no municipal purpose other than to establish statutory contiguity or adjacentness, or to capture territory within the area to be annexed, constitutes an impermissible exercise of state-delegated authority by a municipality and shall be prohibited. ~~Municipalities with a population of twelve thousand (12,000) or less may only annex up to eight (8) square miles in one area at any one time provided the municipality obtains the written consent of the owners of at least sixty-five percent (65%) of the acres to be annexed and twenty-five percent (25%) of the population to be annexed.~~

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

1. The governing body of the municipality shall direct that notice of the proposed annexation of the territory be published in a legally qualified newspaper of general circulation in the territory

1 and shall describe the boundaries of the territory proposed to be
2 annexed by reference to a map, geographical locations, legal or
3 physical description or other reasonable designation. The notice
4 shall state the date, time, and place the governing body shall
5 conduct a public hearing on the question of annexing the territory.
6 The notice shall be published in a legal newspaper of general
7 circulation in the territory sought to be annexed within fourteen
8 (14) days following the date the governing body directed the notice
9 to be published;

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

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

22 C. Unless otherwise provided by law, a roadway or road right-
23 of-way that is adjacent or contiguous to the territory to be annexed
24

1 shall be considered a part and parcel to the territory to be
2 annexed.

3 D. 1. Before any territory is annexed to a municipality,
4 ~~without the written consent of the owners of at least a majority of~~
5 ~~the acres to be annexed to the municipality in accordance with~~
6 ~~subsection A of this section, the governing body of the municipality~~
7 ~~shall direct that notice of the proposed annexation of the territory~~
8 ~~be published in a legally qualified newspaper of general circulation~~
9 ~~in the territory and shall hold a public hearing on the proposed~~
10 ~~annexation. Prior and prior to the publication of notice pursuant~~
11 ~~to subsection B of this section,~~ the municipality shall prepare a
12 plan to extend municipal services including, but not limited to,
13 water, sewer, fire protection, law enforcement and the cost of such
14 services appropriate to the proposed annexed territory. The plan
15 shall be included in the notices published and mailed pursuant to
16 subsection B of this section. The plan shall provide that the
17 municipality complete the implementation of the plan in accordance
18 with any existing capital improvement plan applicable to the portion
19 of the municipality adjacent to the territory proposed to be
20 annexed. If no such capital improvement plan has been adopted, the
21 municipality shall complete the service plan within one hundred
22 twenty (120) months from the date of annexation unless a different
23 time is determined by consensus between property owners and the
24 municipality at the hearing. The time for completion of the service

1 plan shall be set forth in the ordinance annexing the territory. If
2 municipality services are not substantially complete within the
3 prescribed time, then the ~~territory shall be detached by the~~
4 ~~governing body~~ affected owners may either directly petition a court
5 of competent jurisdiction for enforcement of completion of the
6 planned services or may bring a process for detachment as provided
7 in Section 21-110 of this title. For purposes of this subsection,
8 services may be provided by any method or means available to the
9 municipality to extend municipal services to any other area of the
10 city or town. ~~Such notice, hearing and plan shall be subject to the~~
11 ~~following provisions:~~

12 1. ~~The notice shall describe the boundaries of the territory~~
13 ~~proposed to be annexed by reference to a map, geographical~~
14 ~~locations, legal or physical description or other reasonable~~
15 ~~designation and shall state that the proposed service plan is~~
16 ~~available for inspection at a specified location. The notice shall~~
17 ~~state the date, time, and place when the governing body shall~~
18 ~~conduct a public hearing on the question of annexing the territory.~~
19 ~~The notice shall be published in a legal newspaper of general~~
20 ~~circulation in the territory sought to be annexed within fourteen~~
21 ~~(14) days following the date the governing body directed the notice~~
22 ~~to be published. A copy of the notice of annexation shall be mailed~~
23 ~~by first-class mail to all owners of property to be annexed as shown~~
24 ~~by the current year's ownership rolls in the office of the county~~

1 ~~treasurer and to the Department of Transportation for purposes of~~
2 ~~clarifying any road maintenance responsibilities; provided that the~~
3 ~~notice of annexation shall be mailed by certified mail to every~~
4 ~~person who owns parcel of land of five (5) acres or more used for~~
5 ~~agricultural purposes and to the board of county commissioners of~~
6 ~~the respective county where the proposed annexation is located. If~~
7 ~~the territory to be annexed eneroaches upon any adjacent county, a~~
8 ~~copy of the notice of annexation shall be mailed by first class mail~~
9 ~~to the board of county commissioners of the adjacent county and of~~
10 ~~the county where the proposed annexation is located;~~

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

14 3. ~~The proposed service plan shall be available for inspection~~
15 ~~and be explained to the property owners of the territory to be~~
16 ~~annexed at the public hearing. The plan may be amended through~~
17 ~~negotiation at the hearing. The final service plan shall be~~
18 ~~incorporated into and made part of the ordinance annexing the~~
19 ~~territory. If the municipality fails to detach pursuant to Section~~
20 ~~21-110 of this title, then the majority of the annexed territory's~~
21 ~~registered voters may file a petition with the municipality to~~
22 ~~detach the territory. The petition shall include a legal~~
23 ~~description of the area to be detached, contain a plat or similar~~
24 ~~depiction of the area and detail the reason for detachment. The~~

1 territory petitioned to be detached shall not be platted as a
2 subdivision of the municipality to which it is seeking to be
3 detached, shall have at least one border not within the municipality
4 limits to which the property is seeking to be detached, and shall
5 plead the allegations of failure of the municipality to
6 substantially complete the services set forth in the annexation.
7 Such petition shall be filed with the municipal clerk. If the
8 municipality fails or refuses to detach the area within ninety (90)
9 days of receipt of the petition, any of the petitioners may bring a
10 cause of action in district court to request detachment. The
11 district court shall enter an order detaching the property if the
12 court finds a valid petition was filed with the municipality and the
13 municipality failed to perform its obligations in accordance with
14 the service plan.

15 E. Subject to the requirements of subsections A and B of this
16 section, if the municipality fails to reach the thresholds of
17 consent of owners, a municipality may annex a territory which is
18 bordered by at least fifty percent (50%) by property within
19 municipal limits without such consent in the limited circumstance
20 where the governing board proves beyond a preponderance of the
21 evidence that the annexation will provide more benefit to all owners
22 than being excluded. Owners can refute more benefit by showing
23 lower current utility rates, trash rates, or sanitation rates than
24 rates offered by the municipality. For emergency services, owners

1 can show response time comparisons and costs of service. Any
2 determination of less benefit shall result in a judgment for the
3 owners. The board shall also show that all municipal services
4 offered to all other municipal residents will be provided to the
5 territory within one hundred twenty (120) months from the date of
6 annexation, unless otherwise prohibited by law. To prove such
7 benefit, the municipality shall petition a court of competent
8 jurisdiction and provide service to every person entitled to notice
9 under subsection A of this section. Owners in the territory shall
10 be permitted no less than thirty (30) days from the date of service
11 to present a defense. No municipality may bring a forced annexation
12 under this subsection more often than once per year.

13 F. In any situation where the territory to be annexed by any
14 city or town includes land owned by a state beneficiary public trust
15 or that was previously owned and conveyed by a state beneficiary
16 public trust, annexation ~~shall not be carried out under the~~
17 ~~provisions of subsection D of this section, but instead~~ shall
18 require the written consent of all of said trust and transferees of
19 said trust.

20 ~~F.~~ G. The prevailing property owner in an annexation dispute
21 shall be entitled to court costs and reasonable attorney fees,
22 including, but not limited to, when a municipality withdraws,
23 revokes or otherwise reverses the ordinance at issue in response to
24 litigation before issuance of a final judgment.

1 ~~G.~~ H. A municipality shall not attach ad valorem taxes to an
2 annexed area for a sinking fund to satisfy any judgment as provided
3 by law if the annexed area was not part of the municipality at the
4 time of the judgment.

5 I. As used in this section:

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

12 2. "Military installation" means those facilities constituting
13 the active or formerly active bases owned by the Department of
14 Defense or other applicable entity of the United States government
15 or by any entity of local government after transfer of title to such
16 installation; and

17 3. "Spaceport" means any area as defined pursuant to Section
18 5202 of Title 74 of the Oklahoma Statutes.

19 ~~H.~~ J. Except for ordinances enacted pursuant to Section 43-
20 101.1 of this title, parcels of land five (5) acres or more used for
21 agricultural purposes annexed into the municipal limits on or after
22 July 1, 2003, or parcels of land forty (40) acres or more used for
23 agricultural purposes prior to annexation and have continued in
24 uninterrupted agriculture use annexed into the municipal limits

1 shall be exempt from ordinances restricting land use and building
2 construction to the extent such land use or construction is related
3 to agricultural purposes. Where there is no residence within fifty
4 (50) feet of the boundaries of such a parcel of land, the property
5 shall not be subject to ordinances regulating conduct that would not
6 be an offense under state law; provided, that any such property that
7 discharges into the municipal water, wastewater, or sewer system
8 shall be subject to any ordinances or regulations related to
9 compliance with environmental standards for that system.

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

18 ~~J.~~ L. If territory is annexed pursuant to this section, the
19 annexing governing body shall provide notice by first-class mail
20 together with a map and plat of the annexed territory to the Sales
21 and Use Tax Division of the Oklahoma Tax Commission prior to the
22 effective date of such annexation. The Tax Commission shall notify
23 the known sales tax vendors within the boundaries of the annexed
24

territory as provided by Section 119 of Title 68 of the Oklahoma Statutes.

M. No municipality may annex more than the greater of ten percent (10%) of its current land area or eight (8) square miles in one area at any one time unless the municipality obtains the written consent of the owners of at least sixty-five percent (65%) of the acres to be annexed and twenty-five percent (25%) of the population to be annexed.

SECTION 2. AMENDATORY 11 O.S. 2021, Section 21-110, is amended to read as follows:

Section 21-110. A. Territory may be detached from the corporate limits of a municipality by the governing body when:

1. An ordinance of the governing body so directs; ~~or~~
2. The municipality has failed to substantially complete provision of services as required when the territory was annexed; or
3. A petition requesting detachment, ~~signed by at least three-fourths (3/4) of the registered voters and by the owners of at least three-fourths (3/4), in value, of the property to be detached,~~ is filed with the governing body that is either:

- a. signed by at least three-fourths (3/4) of the registered voters and by the owners of at least three-fourths (3/4), in value, of the property to be detached, or

1 b. in the case of detachment for failure to substantially
2 complete provision of services as required by Section
3 21-103 of this title, upon petition requesting
4 detachment signed by a majority of the owners of the
5 property to be detached.

6 Only land which is within the limits of the municipality and
7 upon its border and not laid out in lots and blocks, or land which
8 had been annexed to a municipality, may be detached by petition.

9 B. Petitioners for detachment of municipal territory shall
10 comply with the following procedures:

11 1. A true and complete unsigned copy of the petition requesting
12 detachment shall be filed with the clerk of the municipality before
13 it is circulated and signed by at least three-fourths (3/4) of the
14 registered voters and by the owners of at least three-fourths (3/4),
15 in value, of the property to be detached, as required by subsection
16 A of this section;

17 2. Signed copies of the petition requesting detachment shall be
18 filed with the clerk of the municipality within ninety (90) days
19 after the initial filing of the unsigned copy with the clerk; and

20 3. Notice of the filing of the signed petition requesting
21 detachment with the clerk of the municipality shall be given in the
22 same manner provided for petitions requesting annexation.

23 Failure to comply with the notice requirement or the other
24 procedures set forth in this subsection shall render the petition

1 for detachment insufficient and no action thereon shall be required
2 by the clerk or governing body of the municipality.

3 C. When signed copies of the petition requesting detachment are
4 timely filed with the clerk of the municipality, the clerk shall
5 determine the sufficiency of the signatures appearing on the
6 petition. The clerk shall then publish, in at least one newspaper
7 of general circulation in the municipality, a notice of the filing
8 and the apparent sufficiency or insufficiency of the petition.
9 Within ten (10) days following the publication, the governing body
10 of the municipality shall hold a public hearing on the petition
11 requesting detachment and take such action thereon as the governing
12 body deems appropriate, which may include approval, denial, or
13 deferral.

14 D. Appeal to the district court concerning any action by the
15 clerk or governing body of the municipality on a petition requesting
16 detachment shall be in the same manner provided for petitions
17 requesting annexation.

18 SECTION 3. AMENDATORY 11 O.S. 2021, Section 21-111, is
19 amended to read as follows:

20 Section 21-111. Any lands detached from a municipality and the
21 owners thereof shall be liable to the municipality only for the cost
22 of public improvements which may have been constructed on the
23 detached lands at the expense of the municipality. The municipality
24 shall have no claim upon nor collect any tax from the detached

territory for any public debt or the cost of any public improvements
which have not been expended directly upon the detached lands. No
owners of land detached from a municipality may petition for
annexation to the municipality from which the land was detached for
ten (10) years after detachment.

SECTION 4. This act shall become effective November 1, 2025.

60-1-13830 MJ 05/27/25