

An Act

ENROLLED HOUSE
BILL NO. 1166

By: Kelley, Miller, and
Steagall of the House

and

Howard, Murdock, Bullard,
and Sacchieri of the Senate

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.

SUBJECT: Cities and towns

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 and 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. The notice shall state the date, time, and place 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;

2. 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 all owners of property abutting any public right-of-way that forms the boundary of the territory proposed to be annexed and to the Sales and Use Tax Division of the Oklahoma Tax Commission; provided that the notice of annexation shall be mailed by certified mail to every person who owns a parcel of land of five (5) acres or more used for agricultural purposes; and

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

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

D. 1. Before any territory is annexed to a municipality, ~~without the written consent of the owners of at least a majority of the acres to be annexed to the municipality in accordance with subsection A of this section, 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 and shall hold a public hearing on the proposed annexation.~~ Prior and prior to the publication of notice pursuant to subsection B of this section, the municipality shall prepare a plan to extend municipal services including, but not limited to, water, sewer, fire protection, law enforcement and the cost of such services appropriate to the proposed annexed territory. The plan shall be included in the notices published and mailed pursuant to subsection B of this section. The plan shall provide that the municipality complete the implementation of the plan in accordance with any existing capital improvement plan applicable to the portion of the municipality adjacent to the territory proposed to be annexed. If no such capital improvement plan has been adopted, the municipality shall complete the service plan within one hundred twenty (120) months from the date of annexation unless a different time is determined by consensus between property owners and the municipality at the hearing. The time for completion of the service plan shall be set forth in the ordinance annexing the territory. If municipality services are not substantially complete within the prescribed time, then the ~~territory shall be detached by the governing body~~ affected owners may either directly petition a court of competent jurisdiction for enforcement of completion of the planned services or may bring a process for detachment as provided in Section 21-110 of this title. For purposes of this subsection, services may be provided by any method or means available to the municipality to extend municipal services to any other area of the city or town. ~~Such notice, hearing and 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;~~

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

~~3. The proposed service plan shall be available for inspection and be explained to the property owners of the territory to be annexed at the public hearing. The plan may be amended through negotiation at the hearing. The final service plan shall be incorporated into and made part of the ordinance annexing the territory. If the municipality fails to detach pursuant to Section 21-110 of this title, then the majority of the annexed territory's registered voters may file a petition with the municipality to detach the territory. The petition shall include a legal description of the area to be detached, contain a plat or similar depiction of the area and detail the reason for detachment. The territory petitioned to be detached shall not be platted as a subdivision of the municipality to which it is seeking to be detached, shall have at least one border not within the municipality limits to which the property is seeking to be detached, and shall plead the allegations of failure of the municipality to substantially complete the services set forth in the annexation. Such petition shall be filed with the municipal clerk. If the municipality fails or refuses to detach the area within ninety (90) days of receipt of the petition, any of the petitioners may bring a cause of action in district court to request detachment. The district court shall enter an order detaching the property if the court finds a valid petition was filed with the municipality and the~~

municipality failed to perform its obligations in accordance with the service plan.

E. Subject to the requirements of subsections A and B of this section, if the municipality fails to reach the thresholds of consent of owners, a municipality may annex a territory which is bordered by at least fifty percent (50%) by property within municipal limits without such consent in the limited circumstance where the governing board proves beyond a preponderance of the evidence that the annexation will provide more benefit to all owners than being excluded. Owners can refute more benefit by showing lower current utility rates, trash rates, or sanitation rates than rates offered by the municipality. For emergency services, owners can show response time comparisons and costs of service. Any determination of less benefit shall result in a judgment for the owners. The board shall also show that all municipal services offered to all other municipal residents will be provided to the territory within one hundred twenty (120) months from the date of annexation, unless otherwise prohibited by law. To prove such benefit, the municipality shall petition a court of competent jurisdiction and provide service to every person entitled to notice under subsection A of this section. Owners in the territory shall be permitted no less than thirty (30) days from the date of service to present a defense. No municipality may bring a forced annexation under this subsection more often than once per year.

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

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

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

I. As used in this section:

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

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

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

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

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

~~J.~~ L. If territory is annexed pursuant to this section, the annexing governing body shall provide notice by first-class mail

together with a map and plat of the annexed territory to the Sales and Use Tax Division of the Oklahoma Tax Commission prior to the effective date of such annexation. The Tax Commission shall notify the known sales tax vendors within the boundaries of the annexed 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

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

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

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

1. A true and complete unsigned copy of the petition requesting detachment shall be filed with the clerk of the municipality before it is circulated and 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, as required by subsection A of this section;

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

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

Failure to comply with the notice requirement or the other procedures set forth in this subsection shall render the petition for detachment insufficient and no action thereon shall be required by the clerk or governing body of the municipality.

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

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

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

Section 21-111. Any lands detached from a municipality and the owners thereof shall be liable to the municipality only for the cost

of public improvements which may have been constructed on the detached lands at the expense of the municipality. The municipality 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.

Passed the House of Representatives the 28th day of May, 2025.

Presiding Officer of the House
of Representatives

Passed the Senate the 28th day of May, 2025.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____
day of _____, 20_____, at _____ o'clock _____ M.
By: _____

Approved by the Governor of the State of Oklahoma this _____
day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____
day of _____, 20_____, at _____ o'clock _____ M.
By: _____