

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   1st Session of the 60th Legislature (2025)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 1166

By: Kelley of the House

and

Howard of the Senate

7  
8  
9  
10                                   COMMITTEE SUBSTITUTE

11                   An Act relating to cities and towns; amending 11 O.S.  
12                   2021, Section 21-103, which relates to procedures for  
13                   annexation; modifying procedure for annexation of  
14                   territory without the consent of majority of owners;  
15                   and providing an effective date.

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

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

19                   Section 21-103. A. Before the governing body of a city or town  
20 may annex any territory adjacent or contiguous to the city or town,  
21 it must obtain the written consent of the owners of at least a  
22 majority of the acres to be annexed to the municipality and provide  
23 for notice and a public hearing on the proposed annexation of the  
24 territory in the manner provided in subsection B of this section.

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

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

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

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 immediately be detached ~~by~~  
20 from the governing body as provided in Section 21-110 of this title  
21 upon expiration of the one hundred twenty (120) months. For  
22 purposes of this subsection, services may be provided by any method  
23 or means available to the municipality to extend municipal services  
24

1 to any other area of the city or town. ~~Such notice, hearing and~~  
2 ~~plan shall be subject to the following provisions:~~

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

24

1 ~~to the board of county commissioners of the adjacent county and of~~  
2 ~~the county where the proposed annexation is located;~~

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

6 ~~3. The proposed service plan shall be available for inspection~~  
7 ~~and be explained to the property owners of the territory to be~~  
8 ~~annexed at the public hearing. The plan may be amended through~~  
9 ~~negotiation at the hearing. The final service plan shall be~~  
10 ~~incorporated into and made part of the ordinance annexing the~~  
11 ~~territory.~~

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

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

24 ~~G.~~ F. As used in this section:

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

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

12        3. "Spaceport" means any area as defined pursuant to Section  
13 5202 of Title 74 of the Oklahoma Statutes.

14        ~~H.~~ G. Except for ordinances enacted pursuant to Section 43-  
15 101.1 of this title, parcels of land five (5) acres or more used for  
16 agricultural purposes annexed into the municipal limits on or after  
17 July 1, 2003, or parcels of land forty (40) acres or more used for  
18 agricultural purposes prior to annexation and have continued in  
19 uninterrupted agriculture use annexed into the municipal limits  
20 shall be exempt from ordinances restricting land use and building  
21 construction to the extent such land use or construction is related  
22 to agricultural purposes. Where there is no residence within fifty  
23 (50) feet of the boundaries of such a parcel of land, the property  
24 shall not be subject to ordinances regulating conduct that would not

1 be an offense under state law; provided, that any such property that  
2 discharges into the municipal water, wastewater, or sewer system  
3 shall be subject to any ordinances or regulations related to  
4 compliance with environmental standards for that system.

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

13 ~~F.~~ I. If territory is annexed pursuant to this section, the  
14 annexing governing body shall provide notice by first-class mail  
15 together with a map and plat of the annexed territory to the Sales  
16 and Use Tax Division of the Oklahoma Tax Commission prior to the  
17 effective date of such annexation. The Tax Commission shall notify  
18 the known sales tax vendors within the boundaries of the annexed  
19 territory as provided by Section 119 of Title 68 of the Oklahoma  
20 Statutes.

21 SECTION 2. This act shall become effective November 1, 2025.

22  
23 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT OVERSIGHT, dated  
24 03/05/2025 - DO PASS, As Amended.