Sec. A763.001. DEFINITIONS. In this chapter:

(1) "Adjoining municipality" means a municipality in an adjoining state that is contiguous to a border municipality.

(2) "Border municipality" means a municipality in this state that borders the state line and that is separated from a municipality in an adjoining state only by the state line.


Sec. A763.002. AGREEMENT BETWEEN MUNICIPALITIES. A border municipality may agree with an adjoining municipality to:

(1) furnish to, or receive from, the adjoining municipality services or facilities;

(2) jointly or cooperatively furnish a governmental service or facility; or

(3) exercise any authority of the border municipality, to the extent that the adjoining municipality may cooperate or act jointly.


Sec. A763.003. TERMS OF AGREEMENT OR CONTRACT. (a) An agreement or contract authorized by this chapter must specify:

(1) the purpose and duration of the agreement or contract;

(2) the manner of financing the joint or cooperative undertaking and of establishing and maintaining a budget for the undertaking;

(3) any financial arrangement under the agreement or contract in which one municipality agrees to furnish specified services or facilities to another municipality;

(4) the precise organization, composition, nature, and powers of any separate legal or administrative entity created under the agreement or contract;

(5) appropriate methods of enforcement;
(6) the method for terminating the agreement or contract, in whole or in part, and for disposing of property on termination; and

(7) any other necessary and proper matters.

(b) A separate legal or administrative entity may not be created under an agreement or contract authorized by this chapter if the creation of the entity violates any other law.

(c) If the agreement between the municipalities does not establish a separate entity to conduct the joint or cooperative undertaking, the agreement must provide for:

(1) an administrator or joint board to administer the undertaking; and

(2) the manner of acquiring, holding, and disposing of any property used in the undertaking.

(d) If the agreement provides for a joint board, each municipality that is a party to the agreement must be represented.


Sec. 763.004. PERFORMANCE OF PUBLIC AGENCY OBLIGATION. (a) An agreement under this chapter does not relieve a public agency of any legal obligation.

(b) Actual and timely performance of a legal obligation of a public agency by an adjoining municipality or an entity created by an agreement or contract under this chapter may be offered in satisfaction of the obligation.


Sec. 763.005. FILING WITH COUNTY REQUIRED. An agreement under this chapter is not effective until a copy of the agreement is filed with the county clerk of the county in which the border municipality is located.