

SUBJECT: Filing notice of substandard or dangerous building orders with the county

COMMITTEE: Urban Affairs — favorable, without amendment

VOTE: 6 ayes — Talton, Wong, A. Allen, Bailey, Blake, Rodriguez
0 nays
1 absent — Menendez

WITNESSES: For — Josh Cantrell, Texas Municipal Board
Against — None

BACKGROUND: Local Government Code, ch. 214 allows cities to require the repair, removal, demolition, or vacation of substandard or dangerous buildings. Prior to issuing such an order, a city must hold a public hearing to determine whether the building fails occupancy standards and must provide notice to the building's owner of the impending hearing. Within 10 days of issuing an order, the city must file a copy of the order in the city clerk's or secretary's office and publish a notice in a city newspaper containing information about the order.

DIGEST: HB 1056 would allow cities to file a copy of an order concerning substandard or dangerous buildings in the county's real property records. This filing would constitute notice to and would be binding on any subsequent grantee, lienholder, or other person who acquired interest in the property after the order was filed.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2005.

SUPPORTERS SAY: HB 1056 would ensure that a person interested in purchasing a building would be aware of a substandard or dangerous building order on the property and would enable cities to proceed with an order even if the property changed hands.

Persons interested in purchasing a building currently have no way of knowing whether a substandard or dangerous building order has been placed on that property. Although the city is required to begin anew the due process provisions and re-declare the building substandard or dangerous if the property changes hands, the likelihood of reaching the same decision on the building is high. The new owner therefore may be unable to use the building in the manner intended, thus reducing its value. By filing orders on substandard and dangerous buildings in the county property records, a person would be able to determine prior to purchase if there was an order on the building and whether the building could be used or converted to a particular use.

The incentive to sell a building once it has been declared dangerous also has created a problem for some cities, which have had to restart the order process several times on the same buildings in order to give proper notice to each new owner as required by statute. Filing the order with the county property records office would allow the county to put subsequent owners on notice of current orders on the building, and enable the city to move ahead with the order. Since anyone buying a building likely would check with the county records prior to purchase to determine whether the property had any outstanding liens or foreclosures, this would be a simple and efficient way of notifying possible future owners.

OPPONENTS
SAY:

No apparent opposition.