

BILL ANALYSIS

Senate Research Center

H.B. 365
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State Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Many parts of Houston and specifically areas of Senate District 13 are plagued with abandoned condominium units and apartment complexes; and with the housing and real estate market bust, this problem is not unique to the Houston area and will continue to grow throughout the State of Texas. After these properties are abandoned for any significant amount of time, they often become havens for homelessness, prostitution, violent crimes, and illicit drug use and drug dealings. These properties become liabilities to their neighboring property owners, bring down property values, and endanger the health and public safety of the neighborhoods in which they are located.

H.B. 365 is part of an ongoing effort of the City of Houston to deal with abandoned apartment complexes, clean up neighborhoods, and revitalize communities. The bill exempts the qualified municipality from Section 2206.001 (Limitation on Eminent Domain for Private Parties or Economic Development Purposes), Government Code, to allow the city to use eminent domain to acquire apartment complexes (versus condominiums) not lawfully occupied for at least one year. Apartment complexes do not present a condominium's thorny problem of joint ownership by multiple people and companies.

H.B. 365 amends current law relating to the use of eminent domain authority by certain municipalities to take abandoned multi-family rental buildings.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2206.001, Government Code, by adding Subsection (b-1), as follows:

(b-1) Provides that Subsection (b)(3) (relating to the use of eminent domain for economic development purposes) does not prohibit the taking of private property through the use of eminent domain for economic development purposes if the economic development is a secondary purpose resulting from the elimination of urban blight under Subchapter J, Chapter 214, Local Government Code. Provides that this subsection expires December 31, 2016.

SECTION 2. Amends Chapter 214, Local Government Code, by adding Subchapter J, as follows:

SUBCHAPTER J. EMINENT DOMAIN AUTHORITY OF CERTAIN MUNICIPALITIES TO TAKE ABANDONED MULTI-FAMILY RENTAL BUILDINGS

Sec. 214.401. **APPLICABILITY OF SUBCHAPTER.** Provides that this subchapter applies only to a municipality with a population of more than 1.9 million.

Sec. 214.402. DEFINITION. Defines, in this subchapter, "multi-family rental building."

Sec. 214.403. EMINENT DOMAIN AUTHORITY. Authorizes a municipality to take a multi-family rental building through the use of eminent domain for the purpose of the elimination of urban blight if a tract or unit of real property on which the multi-family rental building sits presents certain conditions for at least one year after the date on which notice of the conditions is reasonably attempted to be provided to the property owner.

Sec. 214.404. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires December 31, 2016.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2011.