

BILL ANALYSIS

Senate Research Center

H.B. 364
By: Turner (Ellis)
Intergovernmental Relations
5/3/2011
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 364 is part of an ongoing effort with the City of Houston to deal with abandoned condominiums, clean up neighborhoods, and revitalize communities. This bill allows a municipality with a population of 1.9 million or more to obtain authorization, in the narrow context of abandoned condominium complexes to exercise the statutory powers already used by other Texas cities under a Chapter 374 urban renewal plan. This bill permits a municipality to exercise very limited eminent domain to acquire only condominium complexes not lawfully occupied for at least one year.

Current statute provides a mechanism for a municipality to obtain administrative or judicial authorization to demolish a derelict condominium complex. Such proceedings, however, do not adjudicate title to the structures or to the land. The City of Houston is prohibited from implementing a Chapter 374 urban renewal plan unless the city follows an arcane procedure of resolutions by the city council, publications of notices, and an election.

This bill allows a municipality with a population of 1.9 million or more to obtain authorization, in the narrow context of abandoned condominium complexes, to exercise the statutory powers already used by other Texas cities under a Chapter 374 urban renewal plan to exercise very limited eminent domain.

H.B. 364 amends current law relating to condominiums in certain municipalities, including the exercise of eminent domain authority by those municipalities with respect to certain condominiums.

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 prohibiting a governmental or private entity from taking private property through the use of eminent domain if the taking is for economic development purposes unless under certain conditions) 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 I, Chapter 214, Local Government Code. Provides that this subsection expires December 31, 2016.

SECTION 2. Amends the heading to Section 82.118, Property Code, to read as follows:

Sec. 82.118. SERVICE OF PROCESS ON UNIT OWNERS IN CERTAIN MUNICIPALITIES; CHANGE OF ADDRESS REQUIRED.

SECTION 3. Amends Section 82.118, Property Code, by adding Subsection (c) to require a unit owner, not later than the 90th day after the date a unit owner changes the unit owner's mailing address, to provide written notice of the owner's new address to the appraisal district in which the condominium is located.

SECTION 4. Amends Section 82.153(a), Property Code, to require that a condominium information statement contain or accurately disclose certain information, including, for a condominium located wholly or partly in a municipality with a population of more than 1.9 million a statement that a unit owner perform certain actions, including to notify, rather than to promptly notify, the appraisal district in writing of a change in the unit owner's mailing address not later than the 90th day after the date the unit owner changes the address.

SECTION 5. Amends Chapter 214, Local Government Code, by adding Subchapter I, as follows:

SUBCHAPTER I. EMINENT DOMAIN AUTHORITY OF CERTAIN MUNICIPALITIES TO
TAKE ABANDONED CONDOMINIUMS

Sec. 214.301. APPLICABILITY. Provides that this subchapter applies only to a municipality with a population of more than 1.9 million.

Sec. 214.302. DEFINITION. Defines, in this subchapter, "condominium."

Sec. 214.303. EMINENT DOMAIN AUTHORITY. Authorizes a municipality to take a condominium 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 condominium sits presents the following 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:

- (1) all lawful occupation of or construction activity for the condominium has ceased;
- (2) the property contains uninhabitable, unsafe, and unsanitary units that are not fit for their intended use because the utilities, sewerage, plumbing, or heating or a similar service or facility of the units has been destroyed, removed, or rendered ineffective; and
- (3) the property has been the location of substantiated and repeated illegal activity of which the property owner knew or should have known.

Sec. 214.304. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires December 31, 2016.

SECTION 6. Makes application of this Act prospective.

SECTION 7. Effective date: September 1, 2011.