

Chapter 48 - Foundation School Program

Sec. 48.202. Tier Two Allotment

(f) For a school year in which the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort ("GL") under Subsection (a-1)(2) exceeds the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort ("GL") under Subsection (a-1)(2) for the preceding school year, a school district shall reduce the district's tax rate under Section 45.0032(b)(2) for the tax year that corresponds to that school year to a rate that results in the amount of state and local funds per weighted student per cent of tax effort available to the district at the dollar amount guaranteed level for the preceding school year. A school district is not entitled to the amount equal to the increase of revenue described by this subsection for the school year for which the district must reduce the district's tax rate. Unless Section 26.042(e) [26.08(a-1)], Tax Code, applies to the district, for a tax year in which a district must reduce the district's tax rate under this subsection, the district may not increase the district's maintenance and operations tax rate to a rate that exceeds the maximum maintenance and operations tax rate permitted under Section 45.003(d) or (f), as applicable, minus the reduction of tax effort required under this subsection. This subsection does not apply if the amount of state funds appropriated for a school year specifically excludes the amount necessary to provide the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort under Subsection (a-1)(2).

SB 1438 by Bettencourt

Effective June 16, 2021

Sec. 48.2551. Maximum Compressed Tax Rate

(a) In this section:

(1) "DPV" is the taxable value of property in the school district, as determined by the agency by rule, using locally determined property values adjusted in accordance with Section 403.302(d), Government Code ~~[has the meaning assigned by Section 48.256]~~;

(2) "E" is the expiration of the exclusion of appraised property value for the preceding tax year that is recognized as taxable property value for the current tax year, which is the sum of the following:

(A) property value that is no longer subject to a limitation on appraised value under Chapter 313, Tax Code; and

(B) property value under Section 311.013(n), Tax Code, that is no longer excluded from the calculation of "DPV" from the preceding year because of refinancing or renewal after September 1, 2019;

(3) "MCR" is the district's maximum compressed rate, which is the tax rate for the current tax year per \$100 of valuation of taxable property at which the district must levy a maintenance and operations tax to receive the full amount of the tier one allotment to which the district is entitled under this chapter;

(4) "PYDPV" is the district's value of "DPV" for the preceding tax year; and

(5) "PYMCR" is the district's value of "MCR" for the preceding tax year.

(c) Notwithstanding Subsection (b), for a district to which Section 48.2552(b) applies, the district's maximum compressed rate is the value calculated in accordance with Section 48.2552(b) ~~[for "MCR" under Subsection (b)(1)(B)]~~.

(d-1) Local appraisal districts, school districts, and the comptroller shall provide any information necessary to the agency to implement this section.

(d-2) A school district may appeal to the commissioner the district's taxable property value as determined by the agency under this section. A decision by the commissioner is final and may not be appealed.

To the extent of any conflict, this Act prevails over another Act of the 87th Legislature, Regular Session, 2021, relating to nonsubstantive additions to and corrections in enacted codes.

HB 1525 by Huberty

Effective September 1, 2021

Sec. 48.2552. Limitation on Maximum Compressed Rate

(b) If a school district's ~~[district has a]~~ maximum compressed rate as calculated under Section 48.2551(b) would be [that is] less than 90 percent of another school district's maximum compressed rate, the district's maximum compressed rate is the value at which the district's maximum compressed rate would be equal to 90 percent of the other district's maximum compressed rate [calculated under Section 48.2551(e) until the agency determines that the difference between the district's and another district's maximum compressed rates is not more than 10 percent].

To the extent of any conflict, this Act prevails over another Act of the 87th Legislature, Regular Session, 2021, relating to nonsubstantive additions to and corrections in enacted codes.

HB 1525 by Huberty

Effective September 1, 2021

Sec. 48.2721. Recovery of Funds from Excessive Taxation

The commissioner shall reduce state aid or adjust the limit on local revenue under Section 48.257 in an amount equal to the amount of revenue generated by a school district's tax effort that is not in compliance with Section 45.003 or this chapter.

To the extent of any conflict, this Act prevails over another Act of the 87th Legislature, Regular Session, 2021, relating to nonsubstantive additions to and corrections in enacted codes.

HB 1525 by Huberty

Effective September 1, 2021

Sec. 48.277. Formula Transition Grant

(c-1) Notwithstanding any other provision of this chapter, beginning with the 2021-2022 school year, if the total amount of allotments to which school districts and open-enrollment charter schools are entitled under this section for a school year exceeds \$400 million, the commissioner shall proportionately reduce each district's or school's allotment under this section. The reduction in the amount to which a district or school is entitled under this section may not result in an amount that is less than zero.

To the extent of any conflict, this Act prevails over another Act of the 87th Legislature, Regular Session, 2021, relating to nonsubstantive additions to and corrections in enacted codes.

HB 1525 by Huberty

Effective September 1, 2021

Chapter 49 - Options for Local Revenue Levels in Excess of Entitlement

Sec. 49.0041. Local Revenue Level in Excess of Entitlement after Review Notification

If the commissioner determines that a school district has a local revenue level in excess of entitlement after the date the commissioner sends notification for the school year under Section 49.004(a), the commissioner shall include the amount of the district's local revenue level that exceeded the level established under Section 48.257 for that school year in the annual review for the following school year of the district's local revenue levels under Section 49.004(a).

To the extent of any conflict, this Act prevails over another Act of the 87th Legislature, Regular Session, 2021, relating to nonsubstantive additions to and corrections in enacted codes.

HB 1525 by Huberty

Effective September 1, 2021

Chapter 130 - Junior College Districts

Sec. 130.307. Requirements

(b) Except as provided by Subsection (b-1), a [A] public junior college may offer a baccalaureate degree program under this subchapter only if its junior college district:

- (1) had a taxable property valuation amount of not less than \$6 billion in the preceding year; and
- (2) received a positive assessment of the overall financial health of the district as reported by the coordinating

board.

(b-1) The requirement of Subsection (b)(1) does not apply to a public junior college for the purpose of offering a baccalaureate degree program in nursing approved under Section 130.308 if its junior college district:

- (1) has a taxable property valuation amount of not less than \$4 billion in the preceding year; and
- (2) does not have a four-year institution of higher education located in a county in which the district is

located.

HB 885 by Harris

Effective June 15, 2021

Election Code

Chapter 63 - Accepting Voter

Sec. 63.0101. Documentation of Proof of Identification

(d) Pursuant to Section 63.001(c), proof of identification is presented only for the purpose of identifying a voter and not for verification of residence.

HB 368 by Sherman

Effective September 1, 2021

Family Code

Chapter 157 - Enforcement

Sec. 157.3171. Release of Lien on Homestead Property

(c) For purposes of Section 52.0012(d) [52.0012(d)(2)], Property Code, and the requirements of the certificate of mailing prescribed [associated text in the affidavit required] by Section 52.0012(g) [52.0012(f)], Property Code, the obligor is required only to send the letter and affidavit described in Section 52.0012(g) [these provisions] to the claimant under the child support lien at the claimant's last known address.

HB 3115 by Shine

Effective September 1, 2021

Government Code

Chapter 79 - Texas Indigent Defense Commission

Sec. 79.037. Technical Support; Grants

(a) The commission shall:

(1) provide technical support to:

(A) assist counties in improving their systems for providing indigent defense services, including indigent defense support services [systems]; and

(B) promote compliance by counties with the requirements of state law relating to indigent defense;

(2) to assist a county in providing or improving the provision of indigent defense services in the county, distribute in the form of grants any funds appropriated for the purposes of this section to one or more of the following entities:

(A) the county;

(B) a law school's legal clinic or program that provides indigent defense services in the county;

[and]

(C) a regional public defender that meets the requirements of Subsection (e) and provides indigent defense services in the county; [and]

(D) an entity described by Section 791.013 that provides to a county administrative services under an interlocal contract entered into for the purpose of providing or improving the provision of indigent defense services in the county; and

(E) a nonprofit corporation that provides indigent defense services or indigent defense support services in the county; and

(3) monitor each entity that receives a grant under Subdivision (2) and enforce compliance with the conditions of the grant, including enforcement by:

(A) withdrawing grant funds; or

(B) requiring reimbursement of grant funds by the entity.

Section 79.037(b), Government Code, as amended by Chapters 56 (S.B. 1353) and 476 (S.B. 1057), Acts of the 84th Legislature, Regular Session, 2015, is reenacted and amended to read as follows:

(b) The commission shall determine for each county the entity or entities ~~[within the county]~~ that are eligible to receive funds for the provision of or improvement in the provision of indigent defense services under Subsection (a)(2). The determination must be made based on the entity's:

(1) compliance with standards adopted by the board; and

(2) demonstrated commitment to compliance with the requirements of state law relating to indigent defense.

Section 79.037(c), Government Code, as amended by Chapters 56 (S.B. 1353) and 476 (S.B. 1057), Acts of the 84th Legislature, Regular Session, 2015, is reenacted to read as follows:

(c) The board shall adopt policies to ensure that funds under Subsection (a)(2) are allocated and distributed in a fair manner.

Section 79.037(e), Government Code, as added by Chapter 56 (S.B. 1353), Acts of the 84th Legislature, Regular Session, 2015, is repealed.

~~REPEALED: [(e) The commission may award a grant to an entity described by Section 791.013 that provides to a county administrative services under an interlocal contract entered into for the purpose of providing or improving the provision of indigent defense services in the county. The commission shall monitor each entity that receives a grant under this subsection and enforce compliance with the conditions of the grant in the same manner as if the grant were awarded directly to a county under Subsection (a)(2).]~~

HB 295 by Murr

Effective September 1, 2021

Chapter 403 - Comptroller of Public Accounts

Sec. 403.0241. Special Purpose District Public Information Database

(c) For each special purpose district described by Subsection (b), the database must include:

(1) the name of the special purpose district;

(2) the name of each board member of the special purpose district;

(3) contact information for the main office of the special purpose district, including the physical address, the mailing address, and the main telephone number;

(4) if the special purpose district employs a person as a general manager or executive director, or in another position to perform duties or functions comparable to those of a general manager or executive director, the name of the employee;

(5) if the special purpose district contracts with a utility operator, contact information for a person representing the utility operator, including a mailing address and a telephone number;

(6) if the special purpose district contracts with a tax assessor-collector, contact information for a person representing the tax assessor-collector, including a mailing address and telephone number;

(7) the special purpose district's Internet website address or, if the district does not maintain an Internet website, the address of any Internet website or websites the district uses to comply with Section 2051.202 of this code and Section 26.18, Tax Code [;if any];

(8) the financial information described by Section 140.008(b) or (g), Local Government Code, including any revenue obligations;

(9) the total amount of bonds authorized by the voters of the special purpose district that are payable wholly or partly from ad valorem taxes, excluding refunding bonds if refunding bonds were separately authorized and excluding contract revenue bonds;

(10) the aggregate initial principal amount of all bonds issued by the special purpose district that are payable wholly or partly from ad valorem taxes, excluding refunding bonds and contract revenue bonds;

(11) the rate of any sales and use tax the special purpose district imposes;

(12) for a special purpose district that imposes an ad valorem tax:

(A) the ad valorem tax rate for the most recent tax year if the district is a district as defined by Section 49.001, Water Code; or

(B) the table of ad valorem tax rates for the most recent tax year described by Section 26.16, Tax Code, in the form required by that section, if the district is not a district as defined by Section 49.001, Water Code; and

(13) a link to the Internet website described by Section 49.062(g), Water Code, with a plain-language description of how a resident may petition to require that board meetings of certain special purpose districts be held not further than 10 miles from the boundary of the district.

To the extent of any conflict, this Act prevails over another Act of the 87th Legislature, Regular Session, 2021, relating to nonsubstantive additions to and corrections in enacted codes.

HB 1154 by Jetton

Effective September 1, 2021

Sec. 403.3022. Farm and Ranch Survey

(a) The comptroller shall conduct an annual farm and ranch survey for purposes of estimating the productivity value of qualified open-space land as part of a study under Section 403.302.

(b) The comptroller shall prepare and issue an instructional guide that provides information to assist individuals in completing the farm and ranch survey. The instructional guide must include:

- (1) definitions of words related to property appraisal in the survey;
- (2) instructions and examples regarding how to answer the questions in the survey;
- (3) answers to frequently asked questions; and
- (4) any other information the comptroller determines is necessary to assist individuals in completing the survey.

(c) At least once each year, the comptroller shall conduct an online or in-person informational session that is open to the public regarding how to complete the farm and ranch survey. The comptroller shall post a recording of the informational session on the comptroller's Internet website.

(d) At least once each year, the comptroller shall solicit comments from the public and the property tax administration advisory board for the purposes of:

- (1) determining the ease and understandability of the farm and ranch survey; and
- (2) ensuring that the questions in the survey are designed to generate reliable answers.

(e) The chief appraiser of each appraisal district shall distribute the farm and ranch survey instructional guide to the members of the agricultural advisory board for the appraisal district appointed under Section 6.12, Tax Code, and shall provide information to the board regarding how to access the informational session provided under Subsection (c) of this section. The chief appraiser may distribute the instructional guide electronically under this subsection.

(f) The comptroller shall distribute the farm and ranch survey instructional guide to individuals who receive the farm and ranch survey from the comptroller and shall provide information to those individuals regarding how to access the informational session provided under Subsection (c). The comptroller may distribute the instructional guide electronically under this subsection.

(g) The definitions of words related to property appraisal included in the instructional guide are for informational purposes only and do not apply to this code or the Tax Code.

Not later than January 1, 2022, the comptroller shall prepare and issue the instructional guide required by Section 403.3022, Government Code, as added by this Act.

SB 1245 by Perry

Effective September 1, 2021

Chapter 411 - Department of Public Safety of the State of Texas

Sec. 411.1296. Access to Criminal History Record Information: Employment by Appraisal District and Appointment to Appraisal Review Board

(c) The [If the members of the appraisal review board of an appraisal district are appointed by the local administrative district judge, the] appraisal district may provide criminal history record information obtained under this section to the local administrative district judge or to the appraisal review board commissioners appointed by the local administrative district judge.

HB 2941 by Burns

Effective June 7, 2021

Chapter 551 - Open Meetings

Sec. 551.001. Definitions

(3) "Governmental body" means:

- (A) a board, commission, department, committee, or agency within the executive or legislative branch of state government that is directed by one or more elected or appointed members;
- (B) a county commissioners court in the state;
- (C) a municipal governing body in the state;
- (D) a deliberative body that has rulemaking or quasi-judicial power and that is classified as a department, agency, or political subdivision of a county or municipality;
- (E) a school district board of trustees;
- (F) a county board of school trustees;
- (G) a county board of education;
- (H) the governing board of a special district created by law;
- (I) a local workforce development board created under Section 2308.253;
- (J) a nonprofit corporation that is eligible to receive funds under the federal community services block grant program and that is authorized by this state to serve a geographic area of the state;
- (K) a nonprofit corporation organized under Chapter 67, Water Code, that provides a water supply or wastewater service, or both, and is exempt from ad valorem taxation under Section 11.30, Tax Code; [and]
- (L) a joint board created under Section 22.074, Transportation Code; and
- (M) a board of directors of a reinvestment zone created under Chapter 311, Tax Code.

SB 244 by Bettencourt

Effective September 1, 2021

Sec. 551.1283. Governing Body of Certain Water Districts: Internet Posting of Meeting Materials; Recording of Certain Hearings

(d) A district that maintains an Internet website shall post on that website links to any other Internet website or websites the district uses to comply with Section 2051.202 of this code and Section 26.18, Tax Code.

(e) Nothing in this chapter shall prohibit a district from allowing a person to watch or listen to a board meeting by video or telephone conference call.

To the extent of any conflict, this Act prevails over another Act of the 87th Legislature, Regular Session, 2021, relating to nonsubstantive additions to and corrections in enacted codes.

HB 1154 by Jetton

Effective September 1, 2021

Chapter 552 - Public Information

Sec. 552.149. Exception: Confidentiality of Records of Comptroller or Appraisal District Received from Private Entity

(b) Notwithstanding Subsection (a), the property owner or the owner's agent may, on request, obtain from the chief appraiser of the applicable appraisal district a copy of each item of information described by Section 41.461(a)(2), Tax Code, and a copy of each item of information that the chief appraiser took into consideration but does not plan to introduce at the hearing on the protest. In addition, the property owner or agent may, on request, obtain from the chief appraiser comparable sales data from a reasonable number of sales that is relevant to any matter to be determined by the appraisal review board at the hearing on the property owner's protest or by the arbitrator at the hearing on the property owner's appeal under Chapter 41A, Tax Code, of the appraisal review board's order determining the protest. Information obtained under this subsection:

- (1) remains confidential in the possession of the property owner or agent; and
- (2) may not be disclosed or used for any purpose except as evidence or argument at the hearing on:
 - (A) the protest; or
 - (B) the appeal under Chapter 41A, Tax Code.

The changes in law made by this Act apply only to a request described by Section 552.149(b), Government Code, as amended by this Act, received by the chief appraiser of an appraisal district on or after the effective date of this Act. A request received by a chief appraiser before the effective date of this Act is governed by the law in effect on the date the request was received, and the former law is continued in effect for that purpose.

REPEALED: [(e) This section applies to information described by Subsections (a), (c), and (d) and to an item of information or comparable sales data described by Subsection (b) only if the information, item of information, or comparable sales data relates to real property that is located in a county having a population of more than 50,000.]

SB 334 by Johnson

Effective June 14, 2021

Sec. 552.233. Temporary Suspension of Requirements for Governmental Body Impacted by Catastrophe

Section 552.233, Government Code, as added by Chapter 462 (S.B. 494), Acts of the 86th Legislature, Regular Session, 2019, is amended to read as follows:

(a) In this section:

(1) "Catastrophe" means a condition or occurrence that directly interferes with the ability of a governmental body to comply with the requirements of this chapter, including:

- (A) fire, flood, earthquake, hurricane, tornado, or wind, rain, or snow storm;
- (B) power failure, transportation failure, or interruption of communication facilities;
- (C) epidemic; or
- (D) riot, civil disturbance, enemy attack, or other actual or threatened act of lawlessness or violence.

(2) "Catastrophe" does not mean a period when staff is required to work remotely and can access information responsive to an application for information electronically, but the physical office of the governmental body is closed.

(3) "Suspension period" means the period of time during which a governmental body may suspend the applicability of the requirements of this chapter to the governmental body under this section.

(b) The requirements of this chapter do not apply to a governmental body during the suspension period determined by the governmental body under Subsections (d) and (e) if the governmental body:

(1) is currently significantly impacted by a catastrophe such that the catastrophe directly causes the inability of a governmental body to comply with the requirements of this chapter; and

(2) complies with the requirements of this section.

(d) A governmental body may suspend the applicability of the requirements of this chapter to the governmental body for an initial suspension period. The governmental body may suspend the applicability of the requirements of this chapter under this subsection only once for each catastrophe. The initial suspension period may not exceed seven consecutive days and must occur during the period that:

(1) begins not earlier than the second day before the date the governmental body submits notice to the office of the attorney general under Subsection (c); and

(2) ends not later than the seventh day after the date the governmental body submits that notice.

(e) A governmental body may extend an initial suspension period if the governing body determines that the governing body is still impacted by the catastrophe on which the initial suspension period was based. The initial suspension period may be extended one time for not more than seven consecutive days that begin on the day following the day the initial suspension period ends. The governing body must submit notice of the extension to the office of the attorney general on the form prescribed by the office under Subsection (1) [(f)].

(f) A governmental body that initiates a suspension period under Subsection (d) may not initiate another suspension period related to the same catastrophe, except for a single extension period as prescribed in Subsection (e).

(g) The combined suspension period for a governmental body filing under Subsections (d) and (e) may not exceed a total of 14 consecutive calendar days with respect to any single catastrophe.

(h) A governmental body that suspends the applicability of the requirements of this chapter to the governmental body under this section must provide notice to the public of the suspension in a place readily accessible to the public and in each other location the governmental body is required to post a notice under Subchapter C, Chapter 551. The governmental body must maintain the notice of the suspension during the suspension period.

(i) [(g)] Notwithstanding another provision of this chapter, a request for public information received by a governmental body during a suspension period determined by the governmental body is considered to have been received by the governmental body on the first business day after the date the suspension period ends.

(j) [(h)] The requirements of this chapter related to a request for public information received by a governmental body before the date an initial suspension period determined by the governmental body begins are tolled until the first business day after the date the suspension period ends.

(k) [(i)] The office of the attorney general shall continuously post on the Internet website of the office each notice submitted to the office under this section from the date the office receives the notice until the first anniversary of that date.

(l) [(j)] The office of the attorney general shall prescribe the form of the notice that a governmental body must submit to the office under Subsections (c) and (e). The notice must require the governmental body to:

- (1) identify and describe the catastrophe that the governmental body is currently impacted by;
 - (2) state the date the initial suspension period determined by the governmental body under Subsection (d) begins and the date that period ends;
 - (3) if the governmental body has determined to extend the initial suspension period under Subsection (e):
 - (A) state that the governmental body continues to be impacted by the catastrophe identified in Subdivision (1); and
 - (B) state the date the extension to the initial suspension period begins and the date the period ends;
 - and
 - (4) provide any other information the office of the attorney general determines necessary.
- (m) Upon conclusion of any suspension period initiated pursuant to Subsections (d) or (e), the governmental body shall immediately resume compliance with all requirements of this chapter.

SB 1225 by Huffman

Effective September 1, 2021

Sec. 552.2211. Production of Public Information when Administrative Offices Closed

- (a) Except as provided by Section 552.233, if a governmental body closes its physical offices, but requires staff to work, including remotely, then the governmental body shall make a good faith effort to continue responding to applications for public information, to the extent staff have access to public information responsive to an application, pursuant to this chapter while its administrative offices are closed.
- (b) Failure to respond to requests in accordance with Subsection (a) may constitute a refusal to request an attorney general's decision as provided by Subchapter G or a refusal to supply public information or information that the attorney general has determined is public information that is not excepted from disclosure under Subchapter C as described by Section 552.321(a).

SB 1225 by Huffman

Effective September 1, 2021

Chapter 772 - Governmental Planning

Sec. 772.012. Compliance with Cybersecurity Training Requirements

- (a) In this section, "local government" has the meaning assigned by Section 2054.003.
- (b) To apply for a grant under this chapter, a local government must submit with the grant application a written certification of the local government's compliance with the cybersecurity training required by Section 2054.5191.
- (c) On a determination by the criminal justice division established under Section 772.006 that a local government awarded a grant under this chapter has not complied with the cybersecurity training required by Section 2054.5191, the local government shall pay to this state an amount equal to the amount of the grant award. A local government that is the subject of a determination described by this subsection is ineligible for another grant under this chapter until the second anniversary of the date the local government is determined ineligible.

Section 772.012, Government Code, as added by this Act, applies only to a grant application submitted by a local government on or after September 1, 2021.

HB 1118 by Capriglione

Effective May 18, 2021

Chapter 810 - Miscellaneous Provisions

Sec. 810.006. Minimum Retirement Funding Requirements for Defunding Municipalities

- (a) In this section:

- (1) "Defunding municipality" means a municipality that is considered to be a defunding municipality under Chapter 109, Local Government Code.
 - (2) "Public retirement system" has the meaning assigned by Section 802.001.
- (b) This section applies only to a municipality that is:
 - (1) an employer of active members of a public retirement system administering a defined benefit plan; and
 - (2) a defunding municipality.

- (c) Notwithstanding any other law and as soon as practicable after the date the criminal justice division of the office of the governor issues a written determination under Section 109.003(2), Local Government Code, with respect to a municipality, the municipality shall for the purpose of funding retirement benefits increase municipal contributions

to a public retirement system in which its employees participate as members in a manner that ensures that the total amount the municipality and members contribute to the system for the fiscal year on which the determination is based is not less than the total amount the municipality and members of the system contributed to the system for the fiscal year immediately preceding the fiscal year on which the determination is based.

(d) A municipality subject to this section shall increase contributions in the manner provided by Subsection (c) for each fiscal year for which the municipality is considered a defunding municipality.

HB 1900 by Goldman

Effective September 1, 2021

Chapter 1301 - County Bonds

Sec. 1301.001. Issuance and Authorization

(a) The commissioners court of a county may issue bonds authorized under Subtitle A and Chapter 1251 to:

- (1) build a county courthouse or jail;
- (2) purchase suitable sites in the county and to construct buildings on the sites for homes or schools for dependent or delinquent children;
- (3) establish county facilities for needy or indigent persons in the county;
- (4) purchase and construct bridges for public purposes in the county or to cross a stream serving as the county's boundary line; [or]
- (5) improve and maintain the public roads in the county; or
- (6) restore or maintain a county courthouse.

SB 186 by Perry

Effective June 7, 2021

Chapter 2001 - Administrative Procedure

Sec. 2001.023. Notice of Proposed Rule

(c) At the time a state agency files notice of a proposed rule under Subsection (b), the agency shall publish on the agency's Internet website a summary of the proposed rule written in plain language in both English and Spanish in accordance with Section 2054.116.

(d) For purposes of Subsection (c), a summary is written in plain language if it uses language the general public, including individuals with limited English proficiency, can readily understand because the language is concise and well-organized.

The change in law made by this Act applies only to a proposed state agency rule for which notice is filed with the secretary of state under Section 2001.023, Government Code, on or after the effective date of this Act.

HB 1322 by Shaheen

Effective September 1, 2023

Chapter 2051 - Government Documents, Publications, and Notices

Subchapter E, Chapter 2051, Government Code, as added by Chapter 1029 (H.B. 305), Acts of the 86th Legislature, Regular Session, 2019, is redesignated as Subchapter F, Chapter 2051, Government Code, and amended to read as follows:

Subchapter F [E]. Internet Website

Sec. 2051.201 [2051.151]. ~~[Applicability of Subchapter. Except as provided by Section 2051.152(b), this subchapter applies only to a political subdivision with the authority to impose a tax that at any time on or after January 1, 2019, maintained a publicly accessible Internet website.~~

~~[Sec. 2051.152.] Information Required on Website.~~

(a) This section applies only to a political subdivision with the authority to impose a tax that:

- (1) at any time on or after January 1, 2019, maintained a publicly accessible Internet website; and
- (2) is not subject to Section 2051.202.

(b) A political subdivision to which this section applies shall post on a publicly accessible Internet website the following information:

- (1) the political subdivision's contact information, including a mailing address, telephone number, and e-mail address;
 - (2) each elected officer of the political subdivision;
 - (3) the date and location of the next election for officers of the political subdivision;
 - (4) the requirements and deadline for filing for candidacy of each elected office of the political subdivision, which shall be continuously posted for at least one year before the election day for the office;
 - (5) each notice of a meeting of the political subdivision's governing body under Subchapter C, Chapter 551; and
 - (6) each record of a meeting of the political subdivision's governing body under Section 551.021.
- (c) ~~(b)~~ Subsections (b)(5) ~~[(a)(5)]~~ and (6) do not apply to:
- (1) a county with a population of less than 10,000;
 - (2) a municipality with a population of less than 5,000 located in a county with a population of less than 25,000; or
 - (3) a school district with a population of less than 5,000 in the district's boundaries and located in a county with a population of less than 25,000.

Sec. 2051.202. Financial and Operating Information of Special Purpose Districts

(a) In this section, "special purpose district" means a political subdivision of this state with geographic boundaries that define the subdivision's territorial jurisdiction. The term does not include a municipality, county, junior college district, independent school district, groundwater conservation district, river authority, or political subdivision with statewide jurisdiction.

(b) This section applies only to a special purpose district that:

- (1) is authorized by the state by a general or special law to impose an ad valorem tax;
- (2) during the most recent fiscal year imposed an ad valorem tax;
- (3) during the most recent fiscal year:

(A) had bonds outstanding;

(B) had gross receipts from operations, loans, taxes, or contributions in excess of \$250,000; or

(C) had cash and temporary investments in excess of \$250,000; and

(4) at the beginning of the most recent fiscal year, had a population of 500 or more, as determined by the governing body of the special purpose district.

(c) Notwithstanding Subsections (a) and (b), this section applies to a district created and operating under Chapter 387, Local Government Code.

(d) A special purpose district shall post or cause to be posted on an Internet website the following information, if applicable:

- (1) the name of the special purpose district;
- (2) the name and term of office of each member of the governing body of the special purpose district;
- (3) the contact information for the main office of the special purpose district, including the physical address, the mailing address, and the telephone number;
- (4) the official contact information for each member of the governing body of the special purpose district;
- (5) if the special purpose district employs a person as a general manager or executive director, or in another position to perform duties or functions comparable to those of a general manager or executive director, the name of the general manager, executive director, or person that performs those duties;
- (6) if the special purpose district contracts with a utility operator, the contact information for a person representing the utility operator, including a mailing address and telephone number;
- (7) if the special purpose district contracts with a tax assessor-collector, the contact information for a person representing the tax assessor-collector, including a mailing address and telephone number;
- (8) if the special purpose district imposes an ad valorem tax, the rate of the ad valorem tax of the special purpose district;
- (9) if the special purpose district imposes a sales and use tax, the rate of the sales and use tax of the special purpose district;
- (10) any notice of tax hearing required to be given under Chapter 26, Tax Code, or Section 49.236, Water Code;
- (11) the location and schedule of meetings of the governing body of the special purpose district;

(12) a statement substantially similar to the following: "Residents of the district have the right to request the designation of a meeting location within the district under Section 49.062(g), Water Code. A description of this process can be found at (insert link to the Internet website described by Section 49.062(g), Water Code).";

(13) each notice of a meeting of the governing body of the special purpose district under Subchapter C, Chapter 551, for meetings conducted in the current calendar year and the immediately preceding calendar year;

(14) the minutes of a public meeting of the governing body of the special purpose district under Section 551.021 for meetings conducted in the current calendar year and the immediately preceding calendar year; and

(15) the most recent financial audit of the special purpose district.

Sections 2051.202(d)(13) and (14), Government Code, as added by this Act, apply only to a meeting held by a special purpose district on or after the effective date of this Act. To the extent of any conflict, this Act prevails over another Act of the 87th Legislature, Regular Session, 2021, relating to nonsubstantive additions to and corrections in enacted codes.

HB 1154 by Jetton

Effective September 1, 2021

Chapter 2054 - Information Resources

Sec. 2054.519. State Certified Cybersecurity Training Programs

~~REPEALED: [(f) Notwithstanding Subsection (a), a local government that employs a dedicated information resources cybersecurity officer may offer to its employees a cybersecurity training program that satisfies the requirements described by Subsection (b).]~~

HB 1118 by Capriglione

Effective May 18, 2021

Sec. 2054.5191. Cybersecurity Training Required: Certain Employees and Officials

(a-1) At least once each year, a local government shall:

(1) identify local government employees and elected and appointed officials who have access to a local government computer system or database and use a computer to perform at least 25 percent of the employee's or official's required duties; and

(2) require the [these] employees and [elected] officials identified under Subdivision (1) [of the local government] to complete a cybersecurity training program certified under Section 2054.519 [or offered under Section 2054.519(f)].

(a-2) The governing body of a local government or the governing body's designee may deny access to the local government's computer system or database to an individual described by Subsection (a-1)(1) who the governing body or the governing body's designee determines is noncompliant with the requirements of Subsection (a-1)(2).

(b) The governing body of a local government may select the most appropriate cybersecurity training program certified under Section 2054.519 ~~[or offered under Section 2054.519(f)]~~ for employees and officials of the local government to complete. The governing body shall:

(1) verify and report on the completion of a cybersecurity training program by employees and officials of the local government to the department; and

(2) require periodic audits to ensure compliance with this section.

(c) The department shall develop a form for use by state agencies and local governments in verifying completion of cybersecurity training program requirements under this section. The form must allow the state agency and local government to indicate the percentage of employee completion.

(f) The requirements of Subsections (a) and (a-1) do not apply to employees and officials who have been:

(1) granted military leave;

(2) granted leave under the federal Family and Medical Leave Act of 1993 (29 U.S.C. Section 2601 et seq.);

(3) granted leave related to a sickness or disability covered by workers' compensation benefits, if that employee no longer has access to the state agency's or local government's database and systems;

(4) granted any other type of extended leave or authorization to work from an alternative work site if that employee no longer has access to the state agency's or local government's database and systems; or

(5) denied access to a local government's computer system or database by the governing body of the local government or the governing body's designee under Subsection (a-2) for noncompliance with the requirements of Subsection (a-1)(2).

HB 1118 by Capriglione

Effective May 18, 2021

Chapter 2056 - Strategic Plans of Operation

Sec. 2056.002. Strategic Plans

(b) The Legislative Budget Board and the governor's office shall determine the elements required to be included in each agency's strategic plan. Unless modified by the Legislative Budget Board and the governor's office, and except as provided by Subsection (c), a plan must include:

- (1) a statement of the mission and goals of the state agency;
- (2) a description of the indicators developed under this chapter and used to measure the output and outcome of the agency;
- (3) identification of the groups of people served by the agency, including those having service priorities, or other service measures established by law, and estimates of changes in those groups expected during the term of the plan;
- (4) an analysis of the use of the agency's resources to meet the agency's needs, including future needs, and an estimate of additional resources that may be necessary to meet future needs;
- (5) an analysis of expected changes in the services provided by the agency because of changes in state or federal law;
- (6) a description of the means and strategies for meeting the agency's needs, including future needs, and achieving the goals established under Section 2056.006 for each area of state government for which the agency provides services;
- (7) a description of the capital improvement needs of the agency during the term of the plan and a statement, if appropriate, of the priority of those needs;
- (8) identification of each geographic region of this state, including the Texas-Louisiana border region and the Texas-Mexico border region, served by the agency, and if appropriate the agency's means and strategies for serving each region;
- (9) a description of the training of the agency's contract managers under Section 656.052;
- (10) an analysis of the agency's expected expenditures that relate to federally owned or operated military installations or facilities, or communities where a federally owned or operated military installation or facility is located;
- (11) an analysis of the strategic use of information resources as provided by the instructions prepared under Section 2054.095; ~~and~~
- (12) a written certification of the agency's compliance with the cybersecurity training required under Sections 2054.5191 and 2054.5192; and
- (13) other information that may be required.

Section 2056.002(b), Government Code, as amended by this Act, applies only to a strategic plan submitted by a state agency on or after January 1, 2022.

HB 1118 by Capriglione

Effective May 18, 2021

Chapter 2251 - Payment for Goods and Services

Sec. 2251.042. Disputed Payment

(a) A governmental entity shall notify a vendor of an error or disputed amount in an invoice submitted for payment by the vendor not later than the 21st day after the date the entity receives the invoice, and shall include in such notice a detailed statement of the amount of the invoice which is disputed.

(d) The governmental entity may withhold from payments required no more than 110 percent of the disputed amount.
Section 2251.042, Government Code, as amended by this Act, applies only to a contract entered into on or after the effective date of this Act. A contract entered into before that date is governed by the law in effect on the date the contract was entered into, and the former law is continued in effect for that purpose.

HB 1476 by Bell, Keith

Effective September 1, 2021

Chapter 2254 - Professional and Consulting Services

Sec. 2254.102. Applicability

(e) This subchapter does not apply to a contract for legal services entered into by a political subdivision for the collection of an obligation, as defined by Section 2107.001, that is delinquent [under Section 6.30, Tax Code, Article 103.0031, Code of Criminal Procedure,] or for services under Section 1201.027, [of this code] except that Sections 2254.1032, 2254.1034, 2254.1036, and 2254.1037 do apply to the contract. For purposes of this subsection, an obligation does not include a fine or penalty that results from an action by a political subdivision under Chapter 7, Water Code.

Section 2254.102(e), Government Code, as amended by this Act, applies only to a contract entered into on or after the effective date of this Act. A contract entered into before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

HB 1428 by Huberty

Effective September 1, 2021

Local Government Code

Chapter 43 - Municipal Annexation

Sec. 43.004. Annexation by Defunding Municipality Prohibited; Exception

(a) In this section, "defunding municipality" means a home-rule municipality that is considered to be a defunding municipality under Chapter 109.

(b) Except as provided by Subsection (c), a defunding municipality may not annex an area during the period beginning on the date that the criminal justice division of the governor's office issues the written determination that the municipality is a defunding municipality and ending on the 10th anniversary of the date on which the criminal justice division of the governor's office issues a written determination in accordance with Section 109.005 finding that the defunding municipality has reversed the reduction described by Section 109.003(1).

(c) This section does not apply to a defunding municipality annexing all or part of an area under Section 43.0116 that was designated an industrial district under Section 42.044(b) or the subject of an agreement under Section 42.044(c) as of January 1, 2021.

HB 1900 by Goldman

Effective September 1, 2021

Sec. 43.1465. Disannexation from Defunding Municipality

(a) In this section, "defunding municipality" means a home-rule municipality that is considered to be a defunding municipality under Chapter 109.

(b) On the next uniform election date that occurs after the date on which the criminal justice division of the governor's office issues a written determination that a municipality is a defunding municipality and the time required by Section 3.005, Election Code, the defunding municipality shall hold a separate election in each area annexed in the preceding 30 years by the defunding municipality on the question of disannexing the area.

(c) The defunding municipality shall immediately by ordinance disannex an area for which a majority of the votes received in the election held under Subsection (b) favor disannexation.

(d) If an area is disannexed under Subsection (c), the defunding municipality may not attempt to annex the area before the 10th anniversary of the date on which the criminal justice division of the governor's office issues a written determination in accordance with Section 109.005 finding that the defunding municipality has reversed the reduction described by Section 109.003(1).

(e) A defunding municipality holding an election under Subsection (b) may not use public funds on informational campaigns relating to the election.

HB 1900 by Goldman

Effective September 1, 2021

Chapter 109 - Determination of Defunding Municipalities

Sec. 109.001. Definition

In this chapter, "division" means the criminal justice division of the office of the governor.

Sec. 109.002. Applicability of Chapter

This chapter applies only to a municipality with a population of more than 250,000.

Sec. 109.003. Defunding Determination

Except as provided by Section 109.004, a defunding municipality is a municipality:

(1) that adopts a budget for a fiscal year that, in comparison to the municipality's preceding fiscal year, reduces the appropriation to the municipality's police department; and

(2) for which the division issues a written determination finding that the municipality has made the reduction described by Subdivision (1).

Sec. 109.0035. Initial Determination

In making a determination of whether a municipality is a defunding municipality under Section 109.003 according to the budget adopted for the first fiscal year beginning on or after September 1, 2021, the division shall compare the appropriation to the municipality's police department in that budget to the appropriation to that department in the budget of the preceding fiscal year or the second preceding fiscal year, whichever is greater. This section applies to the budget adopted for the municipality's first fiscal year beginning on or after September 1, 2021, regardless of the date of adoption. This section expires September 1, 2023.

Sec. 109.004. Exceptions

(a) A municipality is not considered to be a defunding municipality under Section 109.003 if:

(1) for a fiscal year in which the municipality adopts a budget that is less than the budget for the preceding fiscal year, the percentage reduction to the appropriation to the municipality's police department does not exceed the percentage reduction to the total budget; or

(2) before the adoption of a budget, the municipality applies for and is granted approval from the division for a reduction to the appropriation to the municipality's police department to account for:

(A) capital expenditures related to law enforcement during the preceding fiscal year;

(B) the municipality's response to a state of disaster declared under Section 418.014, Government Code;

or

(C) another reason approved by the division.

(b) For purposes of making a determination of whether a municipality is a defunding municipality under this chapter, a municipality's appropriation to the municipality's police department does not include:

(1) any grant money received by the municipality during any fiscal year; or

(2) any sales and use tax revenue received by the municipality for the purpose of financing a crime control and prevention district under Chapter 363.

Sec. 109.005. Termination of Defunding Determination

A municipality's defunding determination under Section 109.003 continues until the division issues a written determination finding that the municipality has reversed the reduction, adjusted for inflation, described by Section 109.003(1).

Sec. 109.006. Division Duties

(a) The division shall:

(1) compute the inflation rate used to make determinations under Section 109.005 each state fiscal year using a price index that accurately reports changes in the purchasing power of the dollar for municipalities in this state; and

(2) publish the inflation rate in the Texas Register.

(b) The division shall adopt rules establishing the criteria the division uses to approve reductions under Section 109.004(2). Chapter 109, Local Government Code, as added by this Act, applies only to a budget adopted for a fiscal year that begins on or after the effective date of this Act, regardless of the date of adoption.

HB 1900 by Goldman

Effective September 1, 2021

Chapter 111 - County Budget

Sec. 111.003. Annual Budget Required

(a) Not later than August 15 [~~During the 7th or the 10th month of the fiscal year, as determined by the commissioners court~~], the county judge, assisted by the county auditor or county clerk, shall prepare a budget to cover all proposed expenditures of the county government for the succeeding fiscal year.

Sec. 111.006. Proposed Budget Filed with County Clerk; Public Inspection

(a) Not later than August 15 [~~When the county judge has completed the preparation of the budget~~], the county judge shall file a copy of the proposed budget with the county clerk.

Sec. 111.007. Public Hearing on Proposed Budget

(b) The commissioners court shall hold [~~set~~] the hearing not later than the 25th [~~for a date after the 15th~~] day after [~~of the month next following~~] the day [~~month in which~~] the budget is filed under [~~was prepared in accordance with~~] Section 111.006 [~~111.003, Local Government Code,~~] but before the commissioners court adopts the county's ad valorem tax rate for the current tax year [~~date on which taxes are levied by the court~~].

(c) The commissioners court shall give public notice that it will consider the proposed budget on the date of the hearing. The notice must state the date, time, and location of the hearing. The notice must include, in type of a size at least equal to the type used for other items in the notice, any statement required to be included in the proposed budget under Section 111.003(b). The commissioners court shall give notice under this subsection:

- (1) not earlier than the 30th day before the date of the hearing; and
- (2) not later than the 10th day before the date of the hearing.

The changes in law made by this Act apply to a budget proposed by a county commissioners court for a fiscal year beginning on or after the effective date of this Act.

SB 1357 by Hughes

Effective June 14, 2021

Chapter 120 - Election for Reduction of Funding or Resources for Certain Primary Law Enforcement Agencies

Sec. 120.001. Applicability

This chapter applies only to a county with a population of more than one million.

Sec. 120.002. Election Required

(a) Except as provided by Section 120.003, a county shall hold an election in accordance with this chapter if the county adopts a budget for a fiscal year that, compared to the budget adopted by the county for the preceding fiscal year:

(1) reduces for a law enforcement agency, excluding a 9-1-1 call center, with primary responsibility for policing, criminal investigation, and answering calls for service:

(A) for a fiscal year in which the overall amount of the budget is equal to or greater than the amount for the preceding fiscal year, the appropriation to the agency;

(B) for a fiscal year in which the overall amount of the budget is less than the amount for the preceding fiscal year, the appropriation to the agency as a percentage of the total budget;

(C) as applicable:

(i) if the county has not declined in population since the preceding fiscal year, the number of peace officer positions, excluding detention officer positions; or

(ii) if the county has declined in population since the preceding fiscal year, the number of peace officer positions, excluding detention officer positions, the law enforcement agency is authorized to employ per 1,000 county residents; or

(D) the amount of funding per peace officer for the recruitment and training of new peace officers to fill vacant and new peace officer positions in the agency; or

(2) reallocates funding or resources to another law enforcement agency.

(b) A county may not implement a proposed reduction or reallocation described by Subsection (a) until the county receives voter approval for the proposed reduction or reallocation at an election held for that purpose. The county

may, at any time, order the election to be held on the 30th day after the date the county orders the election. Section 41.001, Election Code, does not apply to an election under this subsection.

(c) For purposes of this section, a county budget does not include:

(1) a one-time extraordinary expense, as determined by the comptroller, that is outside the normal costs of operating a law enforcement agency, including purchasing a fleet of law enforcement vehicles or constructing an additional training academy;

(2) revenues used to repay voter-approved bonded indebtedness incurred for a law enforcement purpose;

(3) detention officer compensation; or

(4) a donation or state or federal grant to the county's law enforcement agency.

Sec. 120.003. Disaster Exception

Section 120.002 does not apply to a county budget adopted for a fiscal year in which, or the two fiscal years following the fiscal year in which, a significant budget reduction from the preceding fiscal year was caused by a disaster, including a tornado, hurricane, flood, wildfire, or other calamity, but not including a drought, epidemic, or pandemic, in an area of the county that was the subject of a disaster declaration by the governor under Chapter 418, Government Code, or by the president of the United States.

Sec. 120.004. Ballot Proposition Requirements

A county holding an election under this chapter shall ensure that the ballot proposition for the election includes, as applicable:

(1) a detailed explanation of each proposed reduction;

(2) the amount of each proposed reduction;

(3) the recipient of reallocated funding or resources;

(4) the impact on the local tax rate, if any; and

(5) the expected length of time that the proposed reduction or reallocation will remain in effect.

Sec. 120.005. Use of Public Money for Campaign Prohibited

A county holding an election under this chapter may not use public money on promotional campaigns or advocacy related to the proposed reduction or reallocation. This section may not be construed to prevent a county official or employee from communicating factual information about a proposed budget or the reasoning behind a proposed budget to the voters in the county.

Sec. 120.006. Complaint

(a) A person who believes that a county has implemented a proposed reduction or reallocation described by Section 120.002(a) without the required voter approval and who resides in the county may file a complaint with the criminal justice division of the office of the governor.

(b) The criminal justice division of the office of the governor shall determine whether a complaint filed under Subsection (a) is potentially valid or frivolous or false.

(c) The criminal justice division of the office of the governor shall provide written notice of a potentially valid complaint filed under Subsection (a) to the county that is the subject of the complaint. The division shall provide the county an opportunity to correct the action that is the subject of the complaint before referring the complaint to the comptroller.

Sec. 120.007. Comptroller Investigation; Tax Rate Limitation

(a) On request by the criminal justice division of the office of the governor, the comptroller shall determine whether a county has implemented a proposed reduction or reallocation described by Section 120.002(a) without the required voter approval. The comptroller shall issue a written determination to the governor, lieutenant governor, speaker of the house of representatives, and governing body of the county.

(b) The comptroller may require a county to submit information for the current or preceding fiscal year to assist the comptroller's investigation under this section.

(c) Notwithstanding any other law, if the comptroller determines that a county implemented a proposed reduction or reallocation described by Section 120.002(a) without the required voter approval, the county may not adopt an ad valorem tax rate that exceeds the county's no-new-revenue tax rate until the earlier of:

(1) the date the comptroller issues a written determination that the county has, as applicable:

(A) reversed each funding reduction, adjusted for inflation, and personnel reduction that was a subject of the determination; or

(B) restored all reallocated funding and resources that were subjects of the determination to the original law enforcement agency; or

(2) the date on which each reduction and reallocation that was a subject of the determination has been approved in an election held in accordance with this chapter.

(d) For purposes of making the calculation required under Section 26.013, Tax Code, in a tax year the comptroller determines that a county implemented a proposed reduction or reallocation described by Section 120.002(a) without the required voter approval, the difference between the actual tax rate and voter-approval tax rate is considered to be zero.

SB 23 by Huffman

Effective January 1, 2022

Chapter 211 - Municipal Zoning Authority

Sec. 211.009. Authority of Board

(b-1) In exercising its authority under Subsection (a)(3), the board may consider the following as grounds to determine whether compliance with the ordinance as applied to a structure that is the subject of the appeal would result in unnecessary hardship:

(1) the financial cost of compliance is greater than 50 percent of the appraised value of the structure as shown on the most recent appraisal roll certified to the assessor for the municipality under Section 26.01, Tax Code;

(2) compliance would result in a loss to the lot on which the structure is located of at least 25 percent of the area on which development may physically occur;

(3) compliance would result in the structure not being in compliance with a requirement of a municipal ordinance, building code, or other requirement;

(4) compliance would result in the unreasonable encroachment on an adjacent property or easement; or

(5) the municipality considers the structure to be a nonconforming structure.

Section 211.009(b-1), Local Government Code, as added by this Act, applies only to an appeal filed with a municipal board of adjustment on or after the effective date of this Act.

HB 1475 by Cyrier

Effective September 1, 2021

Chapter 232 - County Regulation of Subdivisions

The legislature finds that:

(1) in the decades beginning with and following the 1960s, purchasers from all over the United States and elsewhere were lured by misrepresentations into buying lots in remote areas of the state with promises of future development;

(2) the lots in one such area comprised more than 50,000 acres that have stood virtually undeveloped for more than 25 years after being platted;

(3) the area has been carved into lots as small as one-quarter acre, creating highly fractionalized and uneconomic real estate conditions, defeating any reasonable possibility of developing the lots, depriving the purchasers of the value of their investments, and effectively preventing installation of streets, water, sanitation, electricity, and other infrastructure;

(4) in addition, the lots had, and have, in common an absence of water and electricity, substandard, if any, thoroughfares, and no reasonable prospect that the lots can be developed for residential or commercial use;

(5) over the decades, the original purchasers have abandoned the lots, the purchasers cannot be located, or the purchasers died, in many cases leaving individuals representing multiple generations of families as holders of a complicated web of undivided interests in lots they may know nothing about;

(6) the lots are so lacking in value that local governments have either removed them from the tax rolls altogether, are unable to determine who owns them, or have found it uneconomical to collect the pennies in property tax revenue they may represent;

(7) in recent years, rapid residential growth has reached the areas adjacent to the lots, creating a substantial demand for residential properties that cannot be met due to the fractionalized nature of the properties and the absence of basic infrastructure;

- (8) the lots are often used for illegal dumping of waste and hazardous materials and other purposes contrary to public health and safety; and
- (9) it is necessary to establish a system by which the lots may be aggregated and re-platted in order to be able to return them to the market, provide for streets, water, sanitation, electricity, and other infrastructure, and ensure that any future economic value that may be returned to the lots inures to the benefit of any owners and lienholders who can be located.

SUBCHAPTER F. Abandoned, Unoccupied, and Undeveloped Platted Lots in Certain Counties

Sec. 232.151. Applicability

This subchapter applies to a county that:

- (1) has a population of more than 800,000;
- (2) is adjacent to an international border; and
- (3) contains more than 30,000 acres of lots that have remained substantially undeveloped for more than 25 years after the date the lots were platted.

Sec. 232.152. Administrative Determination

(a) In addition to the authority granted under Section 232.045, a commissioners court may implement an expedited process to administratively determine that a platted lot is abandoned, unoccupied, and undeveloped if the lot:

- (1) has remained undeveloped for 25 years or more after the date the lot was platted;
- (2) is part of a subdivision in which 50 percent or more of the lots are undeveloped or unoccupied;
- (3) is part of a subdivision in which 50 percent or more of the lots are 10 acres or less in size;
- (4) had an assessed value of less than \$1,000 as of January 1, 2021; and
- (5) as of January 1, 2021, was not valued for ad valorem taxation as land for agricultural use pursuant to Subchapter C, Chapter 23, Tax Code.

(b) The county does not have an ownership interest in any lot that is administratively determined to be abandoned, unoccupied, and undeveloped or that is placed in a receivership under this subchapter, except for any existing or future legal interest established by other law.

Sec. 232.153. Public Hearing

(a) Before a county may make an administrative determination that a platted lot is abandoned, unoccupied, and undeveloped, the county must:

- (1) hold a public hearing on the matter; and
- (2) make reasonable efforts to notify each owner and lienholder of the lot of the time and place of the hearing as provided by Section 232.154.

(b) The hearing may be held by the commissioners court of the county or an appropriate county commission or board appointed by the commissioners court. The Texas Rules of Evidence do not apply to a hearing conducted under this section.

(c) At the hearing, an owner or lienholder may provide testimony and present evidence to refute any of the five required elements for a determination under Section 232.152. It is an affirmative defense to a determination under Section 232.152 that a lot's ad valorem taxes have been paid in full for each year that the taxing authority issued a tax invoice.

(d) The county may conduct a single hearing for multiple lots and make a determination that multiple lots are abandoned, unoccupied, and undeveloped based on the same evidence.

(e) Not later than the 14th day after the date of the hearing, if a lot is determined to be abandoned, unoccupied, and undeveloped, the county shall issue an order of its determination.

(f) Not later than the 14th day after the date of the order, the county shall:

- (1) post notice of the order at the county courthouse; and
- (2) publish in a newspaper of general circulation in the county in which the lot is located a notice of the determination containing:

- (A) a description of the lot;
- (B) the date of the hearing;
- (C) a brief statement of the results of the order;
- (D) instructions stating where a complete copy of the order may be obtained; and
- (E) notice that the order is appealable to a district court in the county within 60 calendar days of the

order.

(g) In lieu of the notice required by Subsection (f), the county may:

- (1) post the information required by Subsection (f)(2) on the county's Internet website; and
- (2) publish a notice in a newspaper of general circulation in the county in which the lot is located stating

that:

- (A) the commissioners court has adopted an order under this subchapter; and
- (B) the information required by Subsection (f)(2) may be found on the county's Internet website.

Sec. 232.154. Notice of Hearing

(a) The county shall:

(1) provide notice of the hearing to each record owner of the applicable lot and to each holder of a recorded lien against the applicable lot by:

- (A) personal delivery;
- (B) certified mail with return receipt requested to the last known address of each owner and lienholder; or
- (C) delivery to the last known address of each owner or lienholder by the United States Postal Service using signature confirmation services;

(2) publish notice of the hearing in a newspaper of general circulation in the county on or before the 10th day before the date of the hearing and on the county's Internet website; and

(3) file in the property records of the county notice of the hearing that contains:

- (A) the name and last known address of the owner of the applicable lot; and
- (B) a description of the administrative determination proceeding, including notice that the administrative determination may result in the extinguishment of any and all rights and legal interests in the lot.

(b) Notice under Subsection (a)(1) must be provided to each owner and lienholder for whom an address can be reasonably ascertained from the deed of trust or other applicable instrument on file in the office of the county clerk or in the records of the office of the central appraisal district for the county. The filed notice under Subsection (a)(3) must contain the name and address of each owner to the extent that that information can be reasonably ascertained from the deed of trust or other applicable instrument on file in the office of the county clerk or in the records of the office of the central appraisal district for the county.

(c) The filing of notice under Subsection (a)(3):

(1) is binding on subsequent grantees, lienholders, or other transferees of an interest in the platted lot who acquire that interest after the filing of the notice; and

(2) constitutes notice of the proceeding on any subsequent recipient of any interest in the platted lot who acquires that interest after the filing of the notice.

(d) An owner or lienholder is presumed to have received actual and constructive notice of the hearing if the commissioners court complies with this section, regardless of whether the commissioners court receives a response from the person.

Sec. 232.155. Judicial Review

(a) Any owner or lienholder of record of a platted lot aggrieved by an order issued under Section 232.153 may file in a district court in the county in which the property is located a verified petition alleging that the decision is illegal, in whole or in part, and stating with specificity the grounds of the alleged illegality. The petition must be filed by an owner or lienholder of the lot within 60 calendar days of the order. If a petition is not filed within 60 calendar days of the order, the order shall become final.

(b) On the filing of a petition under Subsection (a), the court may issue a writ of certiorari directed to the county to review the order of the county and shall prescribe in the writ the time within which a return on the writ must be made and served on the relator or the relator's attorney.

(c) The county is not required to return the original papers acted on by it, but it is sufficient for the county to return certified or sworn copies of the papers or parts of the papers as may be called for by the writ.

(d) Appeal of the county's determination under this subchapter shall be conducted under the substantial evidence rule.

Sec. 232.156. Civil Action for Receivership

(a) After a final determination that a platted lot is abandoned, unoccupied, and undeveloped, the county shall bring a civil action to have the lot placed in a receivership. On a final determination that a platted lot is abandoned, unoccupied, and undeveloped as provided by this subchapter, an owner or lienholder's rights and legal interests are

extinguished, subject to the provisions of this subchapter regarding any net proceeds resulting from the disposition of the property, and transferred to the receiver.

(b) The only allegations required to be pleaded in an action for receivership brought under this section are:

- (1) the identification of the applicable lot;
- (2) the relationship of the defendant to the real property;
- (3) the notice of the administrative hearing given to the owner; and
- (4) the administrative determination that the lot has been abandoned, unoccupied, and undeveloped.

(c) The court may appoint as receiver any person with a demonstrated record of knowledge of the problems created by abandoned, unoccupied, and undeveloped platted lots. In selecting a receiver, the court may also take into consideration whether the person owns property in the affected area. The court may not appoint the county, a county official or county employee, or a relative of a county official or county employee within the third degree of consanguinity or affinity as a receiver.

(d) In a civil action under this subchapter, the record owners and any lienholders of record of the lot shall be served with personal notice of the proceedings as provided by the Texas Rules of Civil Procedure. Service on the record owners or lienholders constitutes notice to all unrecorded owners or lienholders.

Sec. 232.157. Authority and Duty of Receiver

(a) Unless inconsistent with this chapter or other law, the rules of equity govern all matters relating to the appointment, powers, duties, and liabilities of a receiver and to the powers of a court regarding a receiver. A receiver appointed by the court may:

- (1) take control of the platted lot;
- (2) make or have made any repairs or improvements to the platted lot to make the lot developable;
- (3) make provisions for the platted lot to be subject to street, road, drainage, utility, and other infrastructure

requirements;

(4) aggregate the platted lot with other lots that have been similarly determined to be abandoned, unoccupied, and undeveloped;

(5) re-plat the platted lot;

(6) accept the grant or donation of any lot within the affected area to carry out the purpose of this subchapter;

and

(7) exercise all other authority that an owner of the platted lot could have exercised, including the authority to sell the lot.

(b) Before a person assumes the duties of a receiver, the person must be sworn to perform the duties faithfully.

(c) The appointed receiver is an officer of the court.

(d) If a receiver dies, resigns, or becomes incapacitated, the court shall appoint a receiver to succeed the former receiver.

(e) If the donation of a lot to the receiver is not challenged before the first anniversary of the donation date, the donation is final and not revocable under any other legal proceeding.

(f) All funds that come into the hands of the receiver shall be deposited in a place in this state directed by the court. The receiver's use of the funds in connection with the receiver's duties or authority under this subchapter shall be subject to the approval of the court. All net proceeds from the disposition of a lot by the receiver shall be placed in trust and remain in trust for at least three years, unless claimed before the expiration of the trust period. The court must order additional notices to an owner or lienholder about the net proceeds as are practicable during the trust period and, on expiration of the trust period, any money remaining in the receivership shall escheat to the state. Funds escheated to the state under this subchapter are subject to disposition or recovery under Subchapters C and D, Chapter 71, Property Code.

(g) After the receiver has improved the platted lot to the degree that the lot is developable and meets all applicable standards, or before petitioning the court for termination of the receivership, the receiver shall file with the court:

(1) a summary and accounting of all costs and expenses incurred, which may, at the receiver's discretion, include a receivership fee of up to 15 percent of the costs and expenses incurred, unless the court, for good cause shown, authorizes a different limit;

(2) a statement describing the disposition of each lot, including whether the lot was aggregated with other lots;

(3) a statement of all revenues collected by the receiver in connection with the use or disposition of the lots;

and

(4) to the extent required by the court, a description of any undivided interest of an owner or lienholder, whether identified or not, in the net proceeds from the disposition of the property.
(h) The court must approve any sale of the property by the receiver.
(i) A receiver shall have a lien on the property under receivership for all of the receiver's unreimbursed costs and expenses and any receivership fee as detailed in the summary and accounting under Subsection (g)(1).

Sec. 232.158. Sale of Property

(a) A sale under this subchapter must be made by:

- (1) public auction;
- (2) sealed bid; or
- (3) sealed proposal.

(b) Before a sale may take place under this subchapter, the receiver must publish notice of the proposed sale before the 60th day before the date the sale is to be held and again before the 30th day before the date the sale is to be held. The notice must be published in English and Spanish in a newspaper of general circulation in the county in which the real property is located. The notice must:

- (1) clearly identify the property to be sold;
- (2) specify the procedures and date for the public auction, sealed bid, or sealed proposal method of sale;
- (3) state the minimum bid for the property, if any;
- (4) state any specific financial terms of sale imposed by the receiver; and
- (5) describe the restrictions, conditions, and limitations on the use of the property that the receiver has determined are appropriate, other than the restrictions, conditions, and limitations provided by other law.

(c) In addition to the notice required by Subsection (b), to maximize the price at which the property is sold and the number of bidders, the receiver shall exercise best efforts to provide notice of the proposed sale to those persons who may have the business expertise, financial capability, and interest in developing the property, including local, state, and national trade associations whose members are development, real estate, or financial professionals.

(d) On the closing of a sale of property under this subchapter, fee simple title shall be vested in the purchaser.

(e) The receiver may reject any and all offers. If the receiver rejects all offers, the receiver may subsequently reoffer the same property for sale, reorganize the property and offer the property for sale, or combine all or part of the property with other property and offer the combined property for sale.

(f) If the procedures in this section are followed and a sale occurs, the sale price obtained for the property is conclusive as to the fair market value of the property at the time of the sale.

HB 1564 by Gonzalez, Mary

Effective September 1, 2021

Chapter 271 - Purchasing and Contracting Authority of Municipalities, Counties, and Certain other Local Governments

Sec. 271.003. Definitions

(8) "Personal property" includes appliances, equipment, facilities, and furnishings, or an interest in personal property, whether movable or fixed, considered by the governing body of the governmental agency to be necessary, useful, or appropriate to one or more purposes of the governmental agency. The term includes all materials and labor incident to the installation of that personal property. The term includes electricity and cloud computing services. The term does not include real property.

It is the intent of the legislature that the definition of the term "personal property" under Section 271.003(8), Local Government Code, as amended by this Act, is applicable only to Subchapter A, Chapter 271, Local Government Code.
SB 58 by Zaffirini

Effective June 3, 2021

Chapter 372 - Improvement Districts in Municipalities and Counties

Sec. 372.010. Improvement Order

(a) During the six-month period after the date of the final adjournment of the hearing under Section 372.009, the governing body of the municipality or county may authorize an improvement district if, by majority vote of all members of the governing body, the members adopt a resolution authorizing the district in accordance with its finding

as to the advisability of the improvement. Except for a resolution authorizing a district described by Section 372.0035, the resolution must provide that the authorization takes effect on the date the resolution is adopted.

(b) Not later than the seventh day after the date the governing body of a municipality or county adopts a resolution under Subsection (a), the municipality or county shall file a copy of the resolution with the county clerk of each county in which all or part of the improvement district is located [An authorization takes effect when it has been published one time in a newspaper of general circulation in the municipality or county. If any part of the improvement district is located in the municipality's extraterritorial jurisdiction or if any part of the improvements is to be undertaken in the municipality's extraterritorial jurisdiction, the authorization does not take effect until the notice is also given one time in a newspaper of general circulation in the part of the extraterritorial jurisdiction in which the district is located or in which the improvements are to be undertaken].

Section 372.010, Local Government Code, as amended by this Act, applies only to a resolution adopted under that section on or after the effective date of this Act. A resolution adopted before the effective date of this Act is governed by the law in effect on the date the resolution was adopted, and the former law is continued in effect for that purpose.

HB 1543 by Parker

Effective September 1, 2021

Sec. 372.0121. Inclusion of Property [Area] in Common Characteristic Public Improvement District

(a) Notwithstanding Section 372.012 or any other requirement in this chapter, the governing body of a municipality may include property in a public improvement district described by Section 372.0035 after the establishment of the district if:

(1) the property is a hotel; and

(2) a sufficient number of the record owners of the real property currently included and proposed to be included in the district have consented to be included in the district by signing the original petition to establish the district or by signing a petition or written consent to include property in the district [the property could have been included in the district without violating Section 372.005(b-1) when the district was created regardless of whether the record owners of the property signed the original petition].

(b) Notwithstanding Subsection (a), no newly constructed hotel property may be added to the district unless the record owner of the property consents to its inclusion.

(c) For purposes of Subsection (a)(2), the number of consenting record owners is sufficient if the record owners own more than 60 percent of appraised value of taxable real property liable for assessment in the district, as determined by the current appraisal roll of the appraisal district in which the property is located, and:

(1) constitute more than 60 percent of all record owners of taxable real property liable for assessment in the district; or

(2) own, in aggregate, more than 60 percent of the area of all taxable real property liable for assessment in the district.

SB 804 by Menendez

Effective June 14, 2021

Sec. 372.013. Service Plan

(a) The advisory body shall prepare an ongoing service plan and present the plan to the governing body of the municipality or county for review and approval. The governing body may approve the plan only by ordinance or order. The governing body may assign responsibility for the plan to another entity in the absence of an advisory body.

(b) The service plan must:

(1) cover a period of at least five years;

(2) [and must also] define the annual indebtedness and the projected costs for improvements; and

(3) include a copy of the notice form required by Section 5.014, Property Code.

(c) Not later than the seventh day after the date the governing body of a municipality or county approves a service plan, the municipality or county shall file a copy of the plan with the county clerk of each county in which all or part of the public improvement district is located.

(d) The governing body of the municipality or county [plan] shall review and update the service plan [be reviewed and updated] annually for the purpose of determining the annual budget for improvements. Except for the service plan for a district described by Section 372.0035, the governing body may amend or update the plan only by ordinance or order.

(e) Not later than the seventh day after the date the governing body of a municipality or county amends or updates the service plan, including the notice form required by Section 5.014, Property Code, the municipality or county shall file a copy of the amended or updated plan with the county clerk of each county in which all or part of the public improvement district is located.

Sections 372.013(a) and (b), Local Government Code, as amended by this Act, and Section 372.013(c), Local Government Code, as added by this Act, apply only to a service plan approved under that section on or after the effective date of this Act. A service plan approved before the effective date of this Act is governed by the law in effect on the date the service plan was approved, and the former law is continued in effect for that purpose. Sections 372.013(d) and (e), Local Government Code, as added by this Act, apply only to a service plan amended or updated under that section on or after the effective date of this Act.

HB 1543 by Parker

Effective September 1, 2021

Chapter 373B - Community Land Trusts

Sec. 373B.003. Nature of Trust

A community land trust created or designated under Section 373B.002 must be a nonprofit organization that is:

(1) created to acquire and hold land for the benefit of developing and preserving long-term affordable housing in the municipality or county; and

(2) organized as:

(A) a nonprofit corporation that is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, by being listed [certified] as an exempt organization under Section 501(c)(3) of that code;

(B) a limited partnership of which a nonprofit corporation described by Paragraph (A) controls 100 percent of the general partner interest; or

(C) a limited liability company for which a nonprofit corporation described by Paragraph (A) serves as the only member.

SB 113 by West

Effective September 1, 2021

Chapter 375 - Municipal Management Districts in General

Sec. 375.2621. Prohibition on Issuance of Bonds after Petition

If a petition for dissolution under Section 375.262 is filed with the board, the board must consider the petition not later than the 60th day after the date the petition is filed. The district may not issue bonds secured by assessments after the date the board confirms that the petition is valid and complete under Section 375.262.

The changes in law made by this Act apply only to a municipal management district that is the subject of a petition described by Section 375.262, Local Government Code, filed with the board on or after the effective date of this Act. A district that is the subject of such a petition filed with the board before the effective date of this Act is governed by the law in effect on the date the petition was filed, and the former law is continued in effect for that purpose. The changes in law made by this Act may not be construed to impair an obligation under a contract entered into before the effective date of this Act. A political subdivision may fulfill the subdivision's obligations under a contract entered into before that date but may not extend such a contract beyond the contract's original term.

SB 604 by Bettencourt

Effective September 1, 2021

Sec. 375.264. Limitations [Limitation] on Dissolution by Board of District with Debt

(a) A district may not be dissolved by its board under Section 375.261 or after a petition is filed under Section 375.262 if the district has [any] outstanding bonded indebtedness until that bonded indebtedness has been repaid or defeased in accordance with the order or resolution authorizing the issuance of the bonds.

(b) If a petition for dissolution is filed under Section 375.262 with the board of a district and the district has outstanding bonded indebtedness secured by assessments:

(1) the district shall remain in existence solely for the purposes of winding up district operations and discharging its bonded indebtedness; and

(2) the board shall use all district money that is available to:

(A) wind up district operations; and

(B) repay or defease the bonded indebtedness as soon as practicable in accordance with the order or resolution authorizing the issuance of the bonds.

(c) Subsection (b) does not apply to a district that has outstanding bonded indebtedness secured by a source other than assessments on the date the petition is filed with the board.

The changes in law made by this Act apply only to a municipal management district that is the subject of a petition described by Section 375.262, Local Government Code, filed with the board on or after the effective date of this Act. A district that is the subject of such a petition filed with the board before the effective date of this Act is governed by the law in effect on the date the petition was filed, and the former law is continued in effect for that purpose. The changes in law made by this Act may not be construed to impair an obligation under a contract entered into before the effective date of this Act. A political subdivision may fulfill the subdivision's obligations under a contract entered into before that date but may not extend such a contract beyond the contract's original term.

SB 604 by Bettencourt

Effective September 1, 2021

REPEALED: [Chapter 379D—Urban Land Bank Program in Municipality with Population of 1.9 Million or More

Sec. 379D.001. Short Title

~~This chapter may be cited as the Urban Land Bank Program Act for a Municipality with a Population of 1.9 Million or More.~~

Sec. 379D.002. Applicability

~~This chapter applies only to a municipality with a population of 1.9 million or more.~~

Sec. 379D.003. Definitions

~~In this chapter:~~

- ~~(1) "Community housing development organization" or "organization" means an organization that:
(A) meets the definition of a community housing development organization in 24 C.F.R. Section 92.2; and
(B) is certified by the municipality as a community housing development organization.~~
 - ~~(2) "Land bank" means an entity established or approved by the governing body of a municipality for the purpose of acquiring, holding, and transferring real property under this chapter.~~
 - ~~(3) "Low income household" means a household with a gross income of not greater than 80 percent of the area median family income, adjusted for household size, for the metropolitan statistical area in which the municipality is located, as determined annually by the United States Department of Housing and Urban Development.~~
 - ~~(4) "Qualified participating developer" means a developer who meets the requirements of Section 379D.005 and includes a qualified organization under Section 379D.012.~~
 - ~~(5) "Urban land bank plan" or "plan" means a plan adopted by the governing body of a municipality as provided by Section 379D.006.~~
 - ~~(6) "Urban land bank program" or "program" means a program adopted under Section 379D.004.~~
- ~~Added by Acts 2005, 79th Leg., Ch. 795 (S.B. 356), Sec. 1, eff. September 1, 2005.~~

Sec. 379D.004. Urban Land Bank Program

~~(a) The governing body of a municipality may adopt an urban land bank program in which the officer charged with selling real property ordered sold pursuant to foreclosure of a tax lien may sell certain eligible real property by private sale for purposes of affordable housing development as provided by this chapter.~~

~~(b) The governing body of a municipality that adopts an urban land bank program shall establish or approve a land bank for the purpose of acquiring, holding, and transferring real property under this chapter.~~

Sec. 379D.005. Qualified Participating Developer

~~To qualify to participate in an urban land bank program, a developer must:~~

- ~~(1) have built three or more housing units within the three year period preceding the submission of a proposal to the land bank seeking to acquire real property from the land bank;~~
- ~~(2) have a development plan approved by the municipality for the land bank property; and~~
- ~~(3) meet any other requirements adopted by the municipality in the urban land bank plan.~~

Sec. 379D.006. Urban Land Bank Plan

(a) A municipality that adopts an urban land bank program shall operate the program in conformance with an urban land bank plan.

(b) The governing body of a municipality that adopts an urban land bank program shall adopt a plan annually. The plan may be amended from time to time.

(c) In developing the plan, the municipality shall consider other housing plans adopted by the municipality, including the comprehensive plan submitted to the United States Department of Housing and Urban Development and all fair housing plans and policies adopted or agreed to by the municipality.

(d) The plan must include the following:

(1) a list of community housing development organizations eligible to participate in the right of second refusal provided by Section 379D.012;

(2) a list of the parcels of real property that may become eligible for sale to the land bank during the upcoming year;

(3) the municipality's plan for affordable housing development on those parcels of real property; and

(4) the sources and amounts of funding anticipated to be available from the municipality for subsidies for development of affordable housing in the municipality, including any money specifically available for housing developed under the program, as approved by the governing body of the municipality at the time the plan is adopted.

Sec. 379D.007. Public Hearing on Proposed Plan

(a) Before adopting a plan, a municipality shall hold a public hearing on the proposed plan.

(b) The mayor or the mayor's designee shall provide notice of the hearing to all community housing development organizations and to neighborhood associations identified by the municipality as serving the neighborhoods in which properties anticipated to be available for sale to the land bank under this chapter are located.

(c) The mayor or the mayor's designee shall make copies of the proposed plan available to the public not later than the 60th day before the date of the public hearing.

Sec. 379D.008. Private Sale to Land Bank

(a) Notwithstanding any other law and except as provided by Subsections (b) and (g), property that is ordered sold pursuant to foreclosure of a tax lien may be sold in a private sale to a land bank by the officer charged with the sale of the property without first offering the property for sale as otherwise provided by Section 34.01, Tax Code, if:

(1) the market value of the property as specified in the judgment of foreclosure is less than the total amount due under the judgment, including all taxes, penalties, and interest, plus the value of nontax liens held by a taxing unit and awarded by the judgment, court costs, and the cost of the sale;

(2) the property is not improved with a habitable building or buildings, as described by the municipality's health and safety code;

(3) there are delinquent taxes on the property for each of the preceding six years; and

(4) the municipality has executed with the other taxing units that are parties to the tax suit an interlocal agreement that enables those units to agree to participate in the program.

(b) A property that is not improved with a habitable building or buildings, as described by the municipality's health and safety code, may not be sold to a land bank under this section if the property is currently occupied by a person who has resided on the property for at least a year.

(c) A sale of property for use in connection with the program is a sale for a public purpose.

(d) If the person being sued in a suit for foreclosure of a tax lien does not contest the market value of the property in the suit, the person waives the right to challenge the amount of the market value determined by the court for purposes of the sale of the property under Section 33.50, Tax Code.

(e) For any sale of property under this chapter, each person who was a defendant to the judgment, or that person's attorney, shall be given, not later than the 30th day before the date of sale, written notice of the proposed method of sale of the property by the officer charged with the sale of the property. Notice shall be given in the manner prescribed by Rule 21a, Texas Rules of Civil Procedure.

(f) After receipt of the notice required by Subsection (e) and before the date of the proposed sale, the owner of the property subject to sale may file with the officer charged with the sale a written request that the property not be sold in the manner provided by this chapter.

(g) If the officer charged with the sale receives a written request as provided by Subsection (f), the officer shall sell the property as otherwise provided in Section 34.01, Tax Code.

~~(h) The owner of the property subject to sale may not receive any proceeds of a sale under this chapter. However, the owner does not have any personal liability for a deficiency of the judgment as a result of a sale under this chapter.~~

~~(i) Notwithstanding any other law, if consent is given by the taxing units that are a party to the judgment, property may be sold to the land bank for less than the market value of the property as specified in the judgment or less than the total of all taxes, penalties, and interest, plus the value of nontax liens held by a taxing unit and awarded by the judgment, court costs, and the cost of the sale.~~

~~(j) The deed of conveyance of the property sold to a land bank under this section conveys to the land bank the right, title, and interest owned by the defendants included in the foreclosure judgment, including the defendants' right to the use and possession of the property, subject only to the defendants' right of redemption, the terms of a recorded restrictive covenant running with the land that was recorded before January 1 of the year in which the tax lien on the property arose, a recorded lien that arose under that restrictive covenant that was not extinguished in the judgment foreclosing the tax lien, and each valid easement of record as of the date of the sale that was recorded before January 1 of the year the tax lien arose.~~

Sec. 379D.009. Subsequent Resale by Land Bank

~~(a) Each subsequent resale of property acquired by a land bank under this chapter must comply with the conditions of this section.~~

~~(b) Except as provided by Section 379D.011, the land bank must sell a property to a qualified participating developer within the five-year period following the date of acquisition for the purpose of construction of affordable housing for sale or rent to low-income households. If after five years a qualified participating developer has not purchased the property, the property shall be transferred from the land bank to the taxing units who were parties to the judgment for disposition as otherwise allowed under the law.~~

~~(c) The number of properties acquired by a qualified participating developer under this section on which development has not been completed may not at any given time exceed three times the annual average residential units produced and completed by the qualified participating developer during the preceding two-year period as determined by the municipality.~~

~~(d) The deed conveying a property sold by the land bank must include a right of reverter so that if the qualified participating developer does not apply for a construction permit and close on any construction financing within the two-year period following the date of the conveyance of the property from the land bank to the qualified participating developer, the property will revert to the land bank for subsequent resale to another qualified participating developer or conveyance to the taxing units who were parties to the judgment for disposition as otherwise allowed under the law.~~

Sec. 379D.010. Restrictions on Occupancy and Use of Property

~~(a) The land bank shall impose deed restrictions with appropriate terms and conditions on property sold to qualified participating developers and eligible adjacent property owners that require:~~

~~(1) the development and sale or rental of the property to low-income households, if the property is sold to a qualified participating developer; or~~

~~(2) the use of the property to be consistent and compatible with the residential character of the neighborhood and any applicable standards for use adopted by the land bank, if the property is sold to an eligible adjacent property owner.~~

~~(b) At least 25 percent of the land bank properties sold during any given fiscal year to be developed for sale shall be deed restricted for sale to households with gross household incomes not greater than 60 percent of the area median family income, adjusted for household size, for the metropolitan statistical area in which the municipality is located, as determined annually by the United States Department of Housing and Urban Development.~~

~~(c) Housing developed under this chapter may consist of one to four residential units. At least one unit of any structure with two to four units must be owned and occupied as a primary residence by a low-income household. The remaining units may be rental units if each tenant household meets the income eligibility requirements of a low-income household.~~

~~(d) Notwithstanding Subsection (c), housing developed under this chapter may consist of one to eight residential units, all of which may be rental units, if:~~

~~(1) each tenant household meets the income eligibility requirements of a low-income household;~~

~~(2) the housing is located in an area that:~~

~~(A) is adjacent to the central business district of the municipality; and~~

(B) has a number of owner-occupied households that does not exceed 25 percent of the total number of households in the area; and

(3) the median income of households for the area described by Subdivision (2) is less than 50 percent of the median income of households for the municipality.

Sec. 379D.011. Right of First Refusal in Eligible Adjacent Property Owners; Conditions of Purchase

(a) Property acquired by the land bank shall be offered for sale, at fair market value as determined by the appraisal district in which the property is located, to eligible adjacent property owners under a right of first refusal on terms and conditions developed by the land bank that are consistent with this chapter.

(b) To be eligible to exercise a right of first refusal under this section, an owner of property adjacent to property acquired by the land bank:

(1) must have owned and continuously occupied that property for at least the five preceding years as that person's principal residence; and

(2) must meet any eligibility requirements adopted by the land bank.

(c) An adjacent property owner who purchases property under this section may not lease, sell, or otherwise transfer the property to another party before the 10th anniversary of the date the adjacent property owner purchases the property. This prohibition does not apply to a transfer of property, as allowed by policies adopted by the land bank:

(1) to a family member of the adjacent property owner; or

(2) in the case of the death of the adjacent property owner.

Sec. 379D.012. Right of Second Refusal in Qualified Organizations

(a) In this section, "qualified organization" means a community housing development organization that:

(1) contains within its designated geographical boundaries of operation, as set forth in its application for certification filed with and approved by the municipality, a portion of the property that the land bank is offering for sale;

(2) has built at least three single-family homes or duplexes or one multifamily residential dwelling of four or more units in compliance with all applicable building codes within the preceding two-year period and within the organization's designated geographical boundaries of operation; and

(3) within the preceding two-year period has built or rehabilitated housing units within a two-mile radius of the property that the land bank is offering for sale.

(b) If all eligible adjacent property owners fail to exercise the right of first refusal under Section 379D.011, the land bank shall offer a property for sale to qualified organizations that are eligible to acquire additional properties from the land bank under Section 379D.009(c). If a qualified organization is not eligible to acquire additional properties under that subsection at the time the property first becomes available for sale, the land bank is not required to hold the property from sale until the organization becomes eligible to purchase the property by the right of second refusal described by this section.

(c) Notice must be provided to the qualified organizations by certified mail, return receipt requested, not later than the 60th day before the beginning of the period in which the right of second refusal may be exercised.

(d) The municipality shall specify in its plan the period during which the right of second refusal provided by this section may be exercised by a qualified organization. That period must be at least 90 days in duration and begin after the period in which the right of first refusal described by Section 379D.011 may be exercised and at least three months but not more than 26 months from the date of the deed of conveyance of the property to the land bank.

(e) During the period specified for the right of second refusal under Subsection (d), the land bank may not sell the property to a qualified participating developer other than a qualified organization. If all qualified organizations notify the land bank that they are declining to exercise their right of second refusal during the specified period, or if an offer to purchase the property is not received from a qualified organization during that period, the land bank may sell the property to any other qualified participating developer at the same price that the land bank offered the property to the qualified organizations.

(f) In its plan, the municipality shall establish the amount of additional time, if any, that a property may be held in the land bank once an offer has been received and accepted from a qualified organization or other qualified participating developer.

(g) If more than one qualified organization expresses an interest in exercising its right of second refusal, the organization that has designated the most geographically compact area encompassing a portion of the property shall be given priority.

~~(h) In its plan, the municipality may provide for other rights of second refusal for any other nonprofit corporation exempted from federal income tax under Section 501(c)(3), Internal Revenue Code of 1986, provided that the preeminent right of second refusal is provided to qualified organizations as provided by this section.~~

~~(i) The land bank is not required to provide a right of second refusal to qualified organizations under this section if the land bank is selling property that reverted to the land bank under Section 379D.009(d).~~

Sec. 379D.013. Open Records and Meetings

The land bank shall comply with the requirements of Chapters 551 and 552, Government Code.

Sec. 379D.014. Records; Audit; Report

~~(a) The land bank shall keep accurate minutes of its meetings and shall keep accurate records and books of account that conform with generally accepted principles of accounting and that clearly reflect the income and expenses of the land bank and all transactions in relation to its property.~~

~~(b) The land bank shall file with the municipality not later than the 90th day after the close of the fiscal year annual audited financial statements prepared by a certified public accountant. The financial transactions of the land bank are subject to audit by the municipality.~~

~~(c) For purposes of evaluating the effectiveness of the program, the land bank shall submit an annual performance report to the municipality not later than November 1 of each year in which the land bank acquires or sells property under this chapter. The performance report must include:~~

~~(1) a complete and detailed written accounting of all money and properties received and disbursed by the land bank during the preceding fiscal year;~~

~~(2) for each property acquired by the land bank during the preceding fiscal year:~~

~~(A) the street address of the property;~~

~~(B) the legal description of the property;~~

~~(C) the date the land bank took title to the property;~~

~~(D) the name and address of the property owner of record at the time of the foreclosure;~~

~~(E) the amount of taxes and other costs owed at the time of the foreclosure; and~~

~~(F) the assessed value of the property on the tax roll at the time of the foreclosure;~~

~~(3) for each property sold by the land bank during the preceding fiscal year to a qualified participating developer:~~

~~(A) the street address of the property;~~

~~(B) the legal description of the property;~~

~~(C) the name and mailing address of the developer;~~

~~(D) the purchase price paid by the developer;~~

~~(E) the maximum incomes allowed for the households by the terms of the sale; and~~

~~(F) the source and amount of any public subsidy provided by the municipality to facilitate the sale or rental of the property to a household within the targeted income levels;~~

~~(4) for each property sold by a qualified participating developer during the preceding fiscal year, the buyer's household income and a description of all use and sale restrictions; and~~

~~(5) for each property developed for rental housing with an active deed restriction, a copy of the most recent annual report filed by the owner with the land bank.~~

~~(d) The land bank shall maintain in its records for inspection a copy of the sale settlement statement for each property sold by a qualified participating developer and a copy of the first page of the mortgage note with the interest rate and indicating the volume and page number of the instrument as filed with the county clerk.~~

~~(e) The land bank shall provide copies of the performance report to the taxing units who were parties to the judgment of foreclosure and shall provide notice of the availability of the performance report for review to the organizations and neighborhood associations identified by the municipality as serving the neighborhoods in which properties sold to the land bank under this chapter are located.~~

~~(f) The land bank and the municipality shall maintain copies of the performance report available for public review.~~

Sec. 379D.015. Effect of Sale to Land Bank or Subsequent Purchasers or Lenders for Value; Limitation on Certain Causes of Action

After the first anniversary of a sale of property to a land bank under this chapter:

~~(1) a third party, other than a qualified participating developer or eligible adjacent property owner who purchased the property from the land bank under this chapter or a person with a cause of action based on a right, title,~~

interest, or other claim described by Subdivision (2)(A)(ii), may not bring a cause of action to set aside or otherwise challenge the sale of the property to the land bank, including a cause of action that is brought against:

(A) a qualified participating developer or eligible adjacent property owner who purchases property from the land bank under Section 379D.009 or 379D.011, as applicable; or

(B) any other subsequent purchaser for value or lender for value; and

(2) a qualified participating developer or eligible adjacent property owner who purchases property from a land bank under this chapter or any other subsequent purchaser for value or, if applicable, a lender for a developer, owner, or purchaser described by this subdivision or any other subsequent lender for value:

(A) has, with the following characteristics, a full title to the property:

(i) except as provided by Subparagraph (ii), the title is not subject to any right, title, interest, or other claim a person acquired in the property before or after the sale of the property to the land bank, including a right of first refusal, right of second refusal, and any other right, title, interest, or other claim provided by this chapter, other than the right of reverter provided by Section 379D.009(d); and

(ii) the title is subject only to:

(a) the recorded restrictive covenants, liens, and valid easements of record described by Section 34.01(n), Tax Code;

(b) any rights of redemption applicable to the property;

(c) any cause of action to impeach the property deed based on a claim of fraud;

(d) the right of reverter provided by Section 379D.009(d) and the recorded deed restrictions described by Section 379D.010; and

(e) any right, title, interest, or other claim with respect to the property that arose after the sale of the property to the land bank under a law other than this chapter; and

(B) may conclusively presume that:

(i) the sale of the property to the land bank under this chapter was valid; and

(ii) a mortgage on or a subsequent sale of the property complies with this chapter and is subject only to a right, title, interest, or other claim provided by Paragraph (A)(ii).]

SB 1679 by Alvarado

Effective September 1, 2021

Chapter 379E - Urban Land Bank Program

Sec. 379E.002. Applicability; Construction with Other Law

This chapter applies only to a municipality:

(1) to which Chapter 379C or 379H [or 379D] does not apply; and

(2) that has not ever adopted a homestead land bank program under Subchapter E, Chapter 373A.

SB 1679 by Alvarado

Effective September 1, 2021

Chapter 379H - Urban Land Bank Program in Municipality with Population of Two Million or More

Subchapter A. General Provisions

Sec. 379H.001. Short Title

This chapter may be cited as the Urban Land Bank Program for a Municipality with a Population of Two Million or More.

Sec. 379H.002. Applicability of Chapter

This chapter applies only to a municipality with a population of two million or more.

Sec. 379H.003. Definitions

In this chapter:

(1) "Board" means the board of directors of a land bank.

(2) "Land bank" means an entity established or approved by the governing body of a municipality under this chapter.

(3) "Non-qualifying municipality" means a municipality to which this chapter does not apply and that is located in the same county in which a municipality to which this chapter does apply is predominantly located.

(4) "Real property" means land, land under water, and any structure, easement, air rights, franchise, or incorporeal hereditament, every estate, interest, and right therein, legal and equitable, including terms for years and liens by way of judgment, mortgage, or otherwise, and any fixture or improvement located thereon.

Sec. 379H.004. Applicability of Other Law

A land bank created under this chapter:

(1) is:

(A) a governmental unit, as defined by Section 101.001, Civil Practice and Remedies Code;

(B) a local government corporation, as defined by Section 431.003, Transportation Code; and

(C) a public nonprofit corporation that has and may exercise all of the rights, powers, privileges, authority, and functions given by the general laws of this state to nonprofit corporations in this state;

(2) is not:

(A) a program created or operating under Chapter 373 or 374; or

(B) a housing finance corporation created under Chapter 394; and

(3) must comply with the requirements of Chapters 551 and 552, Government Code.

Sec. 379H.005. Purpose

A land bank created under this chapter exists for the purpose of acquiring, managing, and disposing of vacant, abandoned, deteriorated, non-revenue generating, and non-tax producing properties and converting those properties to productive uses. For purposes of this subsection, productive uses of a property include the development of housing that serves a wide range of local needs, including affordable housing, long-term affordable housing, workforce housing, public service housing, mixed-income housing, community-based economic development, food desert solutions, parks and recreation, flood reduction and storm resiliency, and other uses necessary and appropriate to return properties to the tax rolls, stabilize communities, improve living conditions, and protect against the displacement of residents of the municipality served by the land bank.

Sec. 379H.006. Construction

This chapter shall be construed liberally to carry out the intended purposes as a complete and independent authorization for the performance of each and every act and thing authorized by this chapter, and all powers granted shall be broadly interpreted to carry out the intended purposes and not as a limitation of powers. Except as otherwise provided by this chapter, a land bank, in the exercise of its powers and duties under this chapter and with respect to real property held by the land bank, has the same amount of control as if the land bank represented a private property owner, and the land bank is not subject to restrictions imposed by the charter, ordinances, or resolutions of a local unit of government.

Subchapter B. Board of Directors

Sec. 379H.051. Composition of Board

The size, membership, composition, and officers of the board of directors of a land bank, and methods of appointment to the board, must be established by the certificate of formation and the bylaws of the land bank.

Sec. 379H.052. Eligibility for Membership

(a) In this section, "public officer" means an individual who is elected to a municipal office.

(b) A municipal employee is eligible to serve as a member of the board, and notwithstanding any law to the contrary, a public officer is eligible to serve as a member of the board and acceptance of the appointment will neither terminate nor impair service in the public office.

Sec. 379H.053. Meetings; Attendance

(a) The board shall meet in regular session according to a schedule adopted by the board.

(b) The board may meet in a special session:

(1) convened by the president of the board in accordance with the bylaws of the board; or

(2) on written notice signed by a majority of the board members.

(c) The presence of a majority of the board's total membership constitutes a quorum for any regular or special session.

(d) The board shall establish rules related to the attendance and participation of members in regular or special meetings of the board. Rules adopted under this subsection may provide for the removal from office of a member for failure to comply with the rules if a majority of the remaining members of the board vote for the removal. Removal under this subsection takes effect the first day of the calendar month following the date of the vote. A person removed under this subsection is ineligible for reappointment to the board unless reappointment is confirmed unanimously by the board.

Sec. 379H.054. Board Actions

(a) Subject to Subsection (b), actions of the board must be approved by the affirmative vote of a quorum of the board.

(b) Action on the following matters requires approval by a majority of the total membership of the board:

(1) adoption of bylaws or rules for conduct of the business of the land bank for which the board serves;

(2) hiring or firing of any employee or contractor of the land bank for which the board serves;

(3) incurring debt;

(4) adoption or amendment of the annual budget; and

(5) sale, lease, encumbrance, or alienation of or improvements to real or personal property with a value of more than \$50,000.

(c) By majority vote, the board may delegate the hiring and firing of employees and contractors to a specific officer or committee of the land bank for which the board serves, under terms and to the extent specified by the board.

(d) A board member may not vote by proxy.

(e) A board member may request a recorded vote on any resolution or action of the land bank.

Sec. 379H.055. Conflict of Interest

(a) A board member or employee of a land bank, or a relative of a member or employee within the first degree of consanguinity or affinity, as determined by Chapter 573, Government Code, may not:

(1) acquire any direct or indirect interest in real property of the land bank, in any real property to be acquired by the land bank, or in any real property to be acquired from the land bank; or

(2) have any direct or indirect interest in any contract or proposed contract for materials or services to be furnished or used by the land bank.

(b) The provisions of the former Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes) related to powers, standards of conduct, and interests in contracts apply to the directors and officers of the land bank.

(c) The board may adopt supplemental rules addressing potential conflicts of interest and ethical guidelines for board members and land bank employees.

Sec. 379H.056. Compensation; Reimbursement

(a) Board members serve without compensation.

(b) The board may reimburse a member for expenses actually incurred in the performance of duties on behalf of the land bank.

Subchapter C. Creation, Operation, and Dissolution of Land Bank

Sec. 379H.101. Creation of Land Bank

(a) The governing body of a municipality may create a land bank by the adoption of an ordinance approving the land bank's certificate of formation and bylaws.

(b) Approval by the governing body of a municipality of the certificate of formation and bylaws of a corporation created under Chapter 431, Transportation Code, that will serve as a land bank under this chapter is sufficient to create a land bank under this section.

(c) A land bank's certificate of formation and bylaws approved under this section may not be changed or amended unless the governing body of the municipality for which the land bank was created approves the change or amendment by the adoption of an ordinance.

Sec. 379H.102. General Powers of Land Bank

(a) A land bank has all powers necessary to carry out the purposes of this chapter, including the power to:

(1) adopt, amend, and repeal bylaws for the regulation of the land bank's affairs and the conduct of the land bank's business;

(2) sue and be sued in the land bank's own name and plead and be interpleaded in all civil actions, including actions to clear title to real property of the land bank;

(3) adopt and alter a seal;

(4) borrow funds necessary for the operation of the land bank from private lenders, municipalities, this state, and the federal government;

(5) adopt any policy for procurement that is recognized under state law and permitted for governmental entities, including a policy recognized under Chapters 252 and 271 of this code, Chapter 431, Transportation Code, and Chapters 2254 and 2269, Government Code;

(6) procure insurance or guarantees from this state or the federal government of the payments of any debts or parts of debts incurred by the land bank and pay premiums in connection with those debts;

(7) enter into contracts and other agreements necessary, incidental, or convenient to the performance of the land bank's duties and the exercise of the land bank's powers, including governmental agreements under Subchapter D, Chapter 431, Transportation Code, or interlocal contracts under Section 791.011, Government Code, for the joint exercise of powers under this chapter;

(8) enter into contracts and other agreements with the municipality that created the land bank for the performance of services in accordance with Chapter 311, Tax Code;

(9) make and execute contracts and other instruments necessary or convenient to the exercise of the land bank's powers;

(10) procure insurance against losses in connection with the real property, assets, or activities of the land bank;

(11) invest money of the land bank, at the discretion of the board, in instruments, obligations, securities, or property determined proper by the board and name and use depositories for the land bank's money;

(12) enter into contracts for the management of, collection of rent from, or sale of real property of the land bank;

(13) design, develop, construct, demolish, reconstruct, rehabilitate, renovate, relocate, or otherwise improve real property of the land bank;

(14) set, charge, and collect rents, fees, and charges for the use of real property of the land bank and for services provided by the land bank;

(15) finance by loan, grant, lease, or otherwise refinance, construct, erect, assemble, purchase, acquire, own, repair, remodel, rehabilitate, modify, maintain, extend, improve, install, sell, equip, expand, add to, operate, or manage real property of the land bank and pay the costs of those activities from the proceeds of loans by persons, corporations, limited or general partnerships, and other entities;

(16) grant or acquire a license, easement, lease, as lessor or lessee, or option with respect to real property of the land bank;

(17) enter into partnerships, joint ventures, and other collaborative relationships with the municipality that created the land bank and other public and private entities for the ownership, management, development, and disposition of real property of the land bank;

(18) make application directly or indirectly to any federal, state, county, or municipal government or agency or to any other public or private source for loans, grants, guarantees, or other financial assistance in furtherance of the land bank's public purpose and accept and use the loans, grants, guarantees, or financial assistance on terms prescribed by that federal, state, county, or municipal government or agency or other source;

(19) as security for the repayment of any notes or other obligations of the land bank, pledge, mortgage, convey, assign, hypothecate, or otherwise encumber any property of the land bank, including real property, fixtures, personal property, revenue, and other funds, and execute any lease, trust indenture, trust agreement, agreement for the sale of the land bank's notes of other obligation, loan agreement, mortgage, security agreement, or other agreement necessary or desirable as determined by the land bank;

(20) hold title to real property for purposes of establishing contracts with public and private nonprofit entities, including long-term lease contracts; and

(21) perform any other appropriate action as necessary to carry out the purposes of this chapter or to comply with a requirement under other law.

(b) A land bank may not:

- (1) exercise the power of eminent domain; or
- (2) acquire real property outside the geographical boundaries of the municipality that created the land bank.

Sec. 379H.103. Resolution of Complex Title Questions

A land bank may provide assistance and guidance to owners of real property for which there are complex, highly divided fractional interests in the real property because of multigenerational intestate distributions, unknown heirs, and other interested parties for whom accurate information cannot be ascertained.

Sec. 379H.104. Interlocal Contracts

(a) A land bank may enter into an interlocal contract under Section 791.011, Government Code, with:

- (1) a municipality for a program created by the municipality under Chapter 373 or 374; or
- (2) a non-qualifying municipality for the purpose of the land bank conducting land bank activities on behalf

of and within the geographical boundaries of the non-qualifying municipality.

(b) Notwithstanding Section 379H.102(b)(2), a land bank may acquire real property within the geographical boundaries of a non-qualifying municipality with which it has entered into an agreement under Subsection (a).

Sec. 379H.105. Records and Reports

(a) A land bank shall keep accurate minutes of the land bank's meetings and shall keep accurate records and books of account that conform with generally accepted principles of accounting and that clearly reflect the income and expenses of the land bank and all transactions in relation to the land bank's real property.

(b) A land bank shall maintain and make available for public review and inspection:

- (1) an inventory of all real property held by the land bank;
- (2) a copy of the sale settlement statement for each real property sold or transferred to a third party; and
- (3) a copy of the performance report filed under Subsection (e).

(c) Not later than the 90th day after the end of the fiscal year of the municipality that created the land bank, the land bank shall file with the municipality an annual audited financial statement prepared by a certified public accountant.

(d) Financial transactions of a land bank are subject to audit by the municipality that created the land bank.

(e) For purposes of evaluating the effectiveness of a land bank created under this chapter, a land bank shall submit an annual performance report to the municipality that created the land bank not later than November 1 of each year in which the land bank acquires or sells real property in accordance with this chapter.

Sec. 379H.106. Staff

(a) A land bank may employ an executive director, counsel and legal staff, technical experts, and other agents and employees, permanent or temporary, that the land bank may require and may determine the qualifications and set the compensation and benefits of each of those persons.

(b) A land bank may enter into contracts and agreements with municipalities for staffing services to be provided to the land bank by those municipalities or for the land bank to provide such staffing services to those municipalities.

Sec. 379H.107. Advisory Committee and Neighborhood Consultation

(a) A land bank shall create one or more advisory committees to consult with and advise the land bank on:

(1) properties within the municipality served by the land bank that are imposing the greatest harm on neighborhoods and communities in the municipality;

(2) neighborhood priorities for new uses of those properties; and

(3) the range of potential transferees of those properties.

(b) As appropriate to the location of the real property of the land bank, advisory committee membership and neighborhood consultations shall include formal and informal neighborhood-specific community associations, residents' associations, faith communities, community development corporations, and anchor institutions.

Sec. 379H.108. Dissolution of Land Bank

(a) A land bank may be dissolved not earlier than the 60th day after the date an affirmative resolution to dissolve the land bank is approved by two-thirds of the membership of the board and confirmed by resolution of the municipality that created the land bank.

(b) Not less than 60 days before the consideration of a resolution of dissolution by the board, the board shall:

(1) provide to the governing body of the municipality that created the land bank written notice of the board's intent to vote on a resolution for dissolution of the land bank; and

- (2) publish the notice in a local newspaper of general circulation.
- (c) On dissolution of the land bank, all real property, personal property, and other assets and obligations of the land bank become the assets and obligations of the municipality that created the land bank.

Subchapter D. Acquisition and Disposition of Property

Sec. 379H.151. Tax Exempt Status of Land Bank Property

The real property of a land bank, including real property held by a land bank under a long-term lease contract with a community land trust, and the land bank's income and operations are exempt as public property used for public purposes from all license fees, recording fees, and all other taxes imposed by this state or by political subdivisions of this state.

Sec. 379H.152. Title Held by Land Bank

All real property acquired by a land bank must be held in the name of the land bank.

Sec. 379H.153. Quiet Title Actions

(a) A land bank may file an action to quiet title as to any real property in which the land bank has an interest. For purposes of a quiet title action, the land bank is considered to be the holder of sufficient legal and equitable interests and possessory rights to qualify the land bank as an adequate complainant in the action.

(b) Before filing an action to quiet title, the land bank shall conduct an examination of title to determine the identity of all persons and entities possessing a claim or interest in or to the real property. Service of the complaint to quiet title shall be provided to the interested parties by the following methods:

(1) by first class mail to an identity and address as reasonably ascertainable by an inspection of public records;

(2) in the case of occupied real property, by registered or certified mail addressed to "occupant";

(3) by posting a copy of the notice on the real property;

(4) by publication in a newspaper of general circulation in the municipality in which the property is located;

and

(5) by another method the court may order.

(c) As part of the complaint to quiet title, a land bank shall file an affidavit identifying all parties potentially having an interest in the real property and the form of notice provided.

(d) A court hearing an action under this section shall:

(1) schedule a hearing on the complaint not later than the 90th day after the date of the filing of the affidavit under Subsection (c); and

(2) issue a final judgment not later than the 120th day after the date of the filing of the complaint for all matters on which an answer was not filed by an interested party.

(e) A land bank may join in a single complaint to quiet title for one or more parcels of real property.

Sec. 379H.154. Acquisition of Property Generally

(a) A land bank may acquire real property by gift, devise, transfer, exchange, foreclosure, purchase, purchase contracts, lease purchase agreements, installment sales contracts, land contracts, or transfers from a municipality on terms as agreed by the land bank and the municipality, or through any other means on terms and in a manner the land bank considers appropriate.

(b) Notwithstanding any other law to the contrary, a municipality served by a land bank or a non-qualifying municipality that has entered into an interlocal contract with a land bank under Section 379H.104 may transfer to the land bank real property of the municipality or non-qualifying municipality on terms and according to procedures determined by the municipality or non-qualifying municipality.

(c) A land bank may acquire real property from this state, the municipality served by the land bank, the county in which that municipality is located, a governmental entity within the county, the federal government, or an agency or department of the federal government.

(d) A land bank shall maintain all of its real property in accordance with the laws and ordinances of the jurisdiction in which the real property is located.

Sec. 379H.155. Acquisition of Foreclosed or Seized Property

(a) In this section, "taxing unit" has the meaning assigned by Section 1.04, Tax Code.

(b) A land bank may submit a written bid to acquire real property at a tax sale conducted in accordance with Section 34.01, Tax Code. The bid:

(1) must be in an amount not less than the amount calculated under Section 34.01(b), Tax Code; and

(2) may be submitted in writing in advance of the auction or tendered in person at the auction.

(c) If the bid submitted under Subsection (b) is the highest bid received at the sale, the land bank:

(1) shall:

(A) pay in cash the amount of the costs and expenses as described by Section 33.48, Tax Code, and any penalties described by Section 33.07 or 33.08, Tax Code; or

(B) remit payment of the amounts described by Paragraph (A) to the selling officer by check or electronic funds transfer not later than the seventh calendar day after the date of the auction; and

(2) is entitled to credit bid that portion of the bid amount consisting of the amount of the taxes, penalties, other than penalties described by Sections 33.07 and 33.08, Tax Code, and interest set forth in the judgment.

(d) A taxing unit that is a party to a judgment of foreclosure for property sold at auction may request that the selling officer bid off the property to the taxing unit in the manner provided by Section 34.01(j), Tax Code, and, if the request is granted, the transfer to the taxing unit prevails over a bid by the land bank if the land bank's bid is the only bid sufficient to satisfy the minimum bid described by Section 34.01(j), Tax Code.

(e) The aggregate amount of all credit bids in a calendar year shall be considered satisfied by the aggregate expenditure in that calendar year of an amount equal to or greater than the credit bid amount, which expenditures are attributable directly and indirectly to maintenance, rehabilitation, construction, demolition, and remediation activities. As to any specific tract of property acquired by the credit bid and transferred by a land bank to a public entity described by Section 379H.158(a), the credit bid shall be considered satisfied by that transfer.

(f) A land bank may submit a written request to a taxing unit at any time for the commencement of tax foreclosure proceedings for delinquent taxes on real property, other than residential real property legally owned and occupied. A land bank may submit a written request to a taxing unit under this subsection for legally occupied residential real property only if the property is five or more years delinquent.

(g) A request submitted under Subsection (f) must include a commitment to tender a bid in the amount specified under Subsection (b). On receipt of the written request, the taxing unit, or the governmental office acting on behalf of the taxing unit, shall commence enforcement proceedings in accordance with Section 33.41, Tax Code.

(h) If there is no private third party bid in an amount more than the bid of the land bank, the real property must be sold to the land bank.

(i) A sale to a land bank under this section is not a sale to a taxing unit under Section 34.01(j) or (p) or 34.21, Tax Code.

(j) A land bank may bid an amount higher than the amount calculated under Section 34.01(b), Tax Code, and if that higher bid amount is the highest successful bid, the land bank shall pay the full amount of the bid in cash.

(k) The deed to a land bank vests good and perfect title in the land bank to the right, title, and interest owned by the defendants included in the foreclosure judgment, including the defendants' right to the use and possession of the property, subject only to the defendants' right of redemption, the terms of a recorded restrictive covenant running with the land that was recorded before January 1 of the year in which the tax lien on the property arose, a recorded lien that arose under that restrictive covenant that was not extinguished by the judgment foreclosing the tax lien, and each easement of record as of the date of the sale that was recorded before January 1 of the year the tax lien arose.

(l) A sale of real property to a land bank under this section:

(1) extinguishes each lien securing payment of the delinquent taxes, penalties, and interest against the property and included in the judgment; and

(2) does not affect the personal liability of any person for those taxes, penalties, and interest included in the judgment that are not satisfied from the proceeds of the sale.

(m) A municipality, and any taxing unit levying property taxes within the geographical jurisdiction of the municipality, may convey tax foreclosed real property owned by the municipality or the taxing unit to the land bank on terms and for an amount of consideration determined by the transferor and the land bank.

(n) A bid submitted by a land bank in accordance with this section is considered a bid for the amount calculated under Section 34.01(b), Tax Code, and received under Section 34.01(j), Tax Code.

Sec. 379H.156. Redemption by Owner of Foreclosed Property

(a) The owner of real property sold to a land bank under Section 379H.155 may redeem the property in the manner prescribed for owners of real property sold at a tax sale to a purchaser other than a taxing unit under Section 34.21, Tax Code.

(b) The price to be paid by the owner of real property sold to a land bank under this section to redeem the property shall be in the amounts set forth in Sections 34.21(a) and (e), Tax Code. For the purposes of calculating the price, the bid paid by the land bank shall be the aggregate amount of the land bank's bid as described by Section 379H.155(b).

(c) If the owner of real property sold to a land bank under Section 379H.155 redeems the property by paying to the land bank the full amount required to redeem as set forth in Sections 34.21(a) and (e), Tax Code, the land bank shall:

(1) retain an amount equal to the amount paid in cash by the land bank in accordance with Section 379H.155;

(2) retain any redemption premium and any reasonable costs the land bank may have expended on maintenance or environmental remediation of the property being redeemed; and

(3) remit to the county assessor-collector any remaining amounts to be distributed among the taxing units that were parties to the judgment of foreclosure in an amount equal to the proportion of each taxing unit's taxes, penalties, and interest due in accordance with the judgment of foreclosure.

Sec. 379H.157. Disposition of Property Generally

(a) A land bank may convey, exchange, sell, transfer, lease as lessor, grant, release and demise, pledge, or hypothecate any interest in, on, or to real property of the land bank.

(b) For real property that a land bank holds fee simple title to, the land bank must convey, exchange, sell, transfer, or otherwise dispose of the fee simple interest in the property not later than the last day of the fifth consecutive year during which the land bank continuously holds the fee simple title. This subsection does not apply to real property that a land bank holds fee simple title to:

(1) that is subject to a long-term lease with:

(A) a nonprofit corporation that is incorporated or holds a certificate of authority under Chapter 22, Business Organizations Code;

(B) a local government corporation, as defined by Section 431.003, Transportation Code; or

(C) a governmental unit, as defined by Section 101.001, Civil Practice and Remedies Code;

(2) for which the land bank is required by the municipality that created the land bank or an entity that funds the land bank, either under an agreement with the municipality or entity or to comply with an official action of the municipality or entity, to hold and assemble one or more parcels of real property for a period that is longer than five years for the purpose of fulfilling specific program or funding goals related to creating or developing affordable housing, supporting community-based economic development, creating parks and other public places, or supporting other goals required by the municipality or entity described by this subdivision;

(3) for which a determination has been made by the land bank that the best use of the real property is for flood control or storm water retention or drainage and the real property has not yet been transferred to a public entity such as a flood control district or a municipal parks and recreation department under Section 379H.158; or

(4) that is the subject of an active proceeding in a court of competent jurisdiction or is subject to a court order that conflicts with this subsection.

(c) A municipality may, in the ordinance creating a land bank, require that a particular form of disposition of real property of the land bank, or any disposition of real property located within a specified jurisdiction of the municipality, be subject to specified voting and approval requirements of the board. Unless restricted under this subsection, the board may delegate to officers and employees the authority to enter into and execute agreements, instruments of conveyance, and all other related documents pertaining to the conveyance of real property by the land bank.

(d) Subject to Subsection (b), a land bank shall determine the terms, conditions, form, and substance of consideration necessary and appropriate to convey, exchange, sell, transfer, lease as lessor, grant, or mortgage as mortgagor any interest in, on, or to real property of the land bank. Consideration may take the form of monetary payments and secured financial obligations, covenants, and conditions related to the present and future use of the property, deed covenants and limitations, contractual commitments of the transferee, mortgage financing, defeasible fees, and other forms of consideration as determined by the board to be in the best interests of the land bank. The board shall determine and state in the land bank's policies and procedures the general terms for consideration to be received by the land bank for the transfer of real property of the land bank.

(e) The board may authorize in the board's policies governing the disposition of land bank property a program for the disposition of land bank property to owners of contiguous properties.

(f) A municipality may recommend that a land bank created by the municipality, and the land bank may in the land bank's own policies and procedures, establish a hierarchical ranking of priorities for the use of real property conveyed by the land bank, including use for:

- (1) production of housing, including affordable housing, long-term affordable housing, workforce housing, public service housing, and mixed-income housing;
- (2) community-based economic development, including retail, commercial, and industrial activities;
- (3) parks and other purely public spaces and places;
- (4) flood reduction, storm water retention and drainage, and storm resiliency;
- (5) food desert solutions;
- (6) conservation areas; and
- (7) other purposes necessary and appropriate to convert properties to the tax rolls, stabilize communities, improve living conditions, and protect against the displacement of residents of the municipality served by the land bank.

Notwithstanding Section 379H.157(b), Local Government Code, as added by this Act, an urban land bank established under Chapter 379H, Local Government Code, as added by this Act, that holds fee simple title to real property before the effective date of this Act is not required to convey, exchange, sell, transfer, or otherwise dispose of the real property, as required by that subsection, until the last day of the fifth consecutive year during which the urban land bank holds the fee simple title on and after the effective date of this Act.

Sec. 379H.158. Disposition of Property for Flood Control and Storm Water Drainage and Planning

(a) A land bank may convey to a public entity such as a flood control district or a municipal parks and recreation department real property held by the land bank:

- (1) for which the highest and best use is flood control or storm water retention or drainage; and
- (2) that, as a result of housing and building code restrictions, flood plain elevations, other local, state, or federal laws, or public or private agreements, conditions, and limitations, is no longer capable of being developed or redeveloped.

(b) The transfer of real property by a land bank under this section may be:

- (1) by grant, deed lease, or other conveyance and may include additional limitations, restrictions, and conditions determined by the land bank; and
- (2) for nominal consideration, for consideration consisting of contractual commitments, for an exchange of real properties, or for other consideration determined by the land bank.

Sec. 379H.159. Affordable Housing Policy

The board of a land bank may adopt a policy requiring that a percentage, as determined by the board based on local needs and available land bank inventory, of residential units constructed on residential real property conveyed by the land bank be deed restricted for housing that is affordable to households with an income of not greater than 80 percent of the area median family income, adjusted for household size, for the municipality, as determined annually by the United States Department of Housing and Urban Development.

Subchapter E. Financing of Land Bank Operations

Sec. 379H.201. General Financing

(a) A land bank may receive funding through grants and loans from the municipality that created the land bank, other municipalities, this state, the federal government, and other public or private sources.

(b) A land bank may receive and retain payments for services rendered, for rents and leasehold payments received, for consideration for disposition of real and personal property, for proceeds of insurance coverage for losses incurred, for income from investments, and for any other asset or activity permitted under this chapter.

Sec. 379H.202. Sale of Land Bank Property

At the time a land bank sells or otherwise disposes of real property, the proceeds from the sale, if any, shall be allocated to operations and expenses of the land bank.

Sec. 379H.203. Collection of Taxes on Property Conveyed by Land Bank

Not more than 75 percent of the real property taxes the municipality that created the land bank collected on real property, excluding any school district or county ad valorem tax, conveyed by a land bank under the laws of this state shall be remitted to the land bank. The real property taxes of any other taxing unit, as to real property of the land bank, may also be allocated to the land bank in a similar manner under an interlocal agreement between the other taxing unit and the land bank. The specific percentage of those taxes to be remitted shall be established by ordinance, resolution, or interlocal cooperation agreement of the land bank. The allocation of property tax revenue shall begin with the first taxable year following the date of conveyance and shall continue for a period of five years. The funds shall be remitted to the land bank in accordance with the administrative procedures established by the assessor-collector of the county in which the land bank is located. The allocation of property tax revenue may not occur if those taxes have been previously allocated to a tax increment reinvestment zone, or to secure a debt of the municipality or other taxing unit, unless the municipality or other taxing unit enters into an agreement with the land bank for the remittance of those funds to the land bank.

The Houston Land Bank, a public nonprofit corporation evidenced by its amended and restated Certificate of Formation dated September 26, 2018, as filed with the Secretary of State under File No. 155688901, under ordinance dated HCD 18-51, approved and adopted by the city council of the City of Houston on July 25, 2018, and originally created as the Land Assemblage Redevelopment Authority under Subchapter D, Chapter 431, Transportation Code, is a land bank under Chapter 379H, Local Government Code, as added by this Act, and shall continue to possess the statutory authorization by which it was originally created under Subchapter D, Chapter 431, Transportation Code. All actions of the board of directors and employees of the Houston Land Bank, all contracts, agreements, services, and real property acquisitions and dispositions taken before the effective date of this Act shall remain unaffected by the adoption of an ordinance under Chapter 379H, Local Government Code, as added by this Act.

SB 1679 by Alvarado

Effective September 1, 2021

SB 1679 by Alvarado creates the following:

- (a) A joint interim committee is created to study land banks.
- (b) The committee shall be composed of:
 - (1) four members appointed by the lieutenant governor;
 - (2) four members appointed by the speaker of the house of representatives; and
 - (3) four members appointed by the governor, one of whom the governor shall designate as the committee's presiding officer.
- (c) In making appointments under Subsection (b) of this section, the appropriate appointing authority shall, if practicable, prioritize appointing members who:
 - (1) serve in a leadership role of a municipality's department of housing, housing and community development, or a related department;
 - (2) are employed by a nonprofit or other organization that advocates for or develops affordable housing;
 - (3) are employed by a nonprofit or other organization that advocates for or supports long-term affordable housing, including a community land trust;
 - (4) have expertise as a real estate agent, particularly expertise or knowledge of neighborhoods impacted by vacant and abandoned properties;
 - (5) have expertise in urban planning or a related field;
 - (6) are licensed as an attorney and have expertise in laws related to real estate, real estate finance, or development;
 - (7) are residents of or leaders of a community-based organization that serves neighborhoods impacted by vacant, abandoned, and deteriorated properties; or
 - (8) have expertise in the enforcement of unpaid taxes, which may include leaders or representatives from a county tax assessor-collector.
- (d) The committee shall convene at the call of the presiding officer.
- (e) The committee has all other powers and duties provided to a special or select committee by the rules of the senate and house of representatives, by Subchapter B, Chapter 301, Government Code, and by policies of the senate and house committees on administration.
- (f) The members of the committee are entitled to reimbursement from the contingent expense fund of the senate and the contingent expense fund of the house of representatives equally for expenses incurred in carrying out the provisions of this section in accordance with the rules of the senate and house of representatives and the policies of the senate and house committees on administration.
- (g) Not later than the 60th day after the effective date of this Act, the lieutenant governor, the speaker of the house of representatives, and the governor shall appoint the members of the interim committee created under this section.
- (h) The committee shall study:
 - (1) powers of land banks to acquire and dispose of real property;
 - (2) impacts of land banks on flood reduction, storm water retention and drainage, and storm resiliency;
 - (3) impacts of land banks on affordable housing, workforce housing, or public service housing;
 - (4) funding mechanisms of land banks;
 - (5) impacts of land banks on tax base from properties conveyed by a land bank; and
 - (6) land banks, including land bank enabling legislation, from other states.
- (i) Not later than January 15, 2023, the committee shall prepare and submit to the lieutenant governor, the speaker of the house of representatives, and the governor a written report summarizing the results of the study conducted under Subsection (h) of this section, including any legislative recommendations for changes to Chapter 379H, Local Government Code, as added by this Act, that may appear necessary or advisable based on the results of the study.
- (j) The committee is abolished and this section expires September 1, 2023.

Occupations Code

Chapter 1151 - Property Tax Professionals

Sec. 1151.109. Information on Appraisal District Reviews

(a) The commission by rule shall require the department to include in the record of the registered professional appraiser who serves as chief appraiser for an appraisal district at the time the comptroller finalizes the biennial review of the appraisal district's performance under Section 5.102(c), Tax Code, an electronic link to:

- (1) the comptroller's report for the review; and
- (2) each property value study the comptroller conducts under Subchapter M, Chapter 403, Government Code, that is used in the review.

(b) An appraisal district may request from the department information on a registered professional appraiser whom the board of directors of the appraisal district is considering for appointment as chief appraiser of the appraisal district. The department shall inform the requestor of the status of any compliance efforts of an appraisal district under Section 5.102(d), Tax Code, for previous reviews in which the appraiser served as chief appraiser of that appraisal district.

As soon as practicable after the effective date of this Act, the Texas Commission of Licensing and Regulation shall adopt rules to implement Section 1151.109, Occupations Code, as added by this Act.

SB 916 by Seliger

Effective September 1, 2021

Sec. 1151.1581. Continuing Education

~~(a) [The commission shall recognize, prepare, or administer continuing education programs for registrants under this chapter.~~

~~[(b)] The comptroller must review and approve any [all] continuing education programs for registrants.~~

~~[(b)] [(e)] A registrant must participate in the programs to the extent required by the department to keep the person's certificate of registration.~~

~~[(d)] The commission may set fees for continuing education courses and providers of continuing education courses in amounts reasonable and necessary to cover the department's costs in administering the department's duties under this section.~~

~~[(e)] The comptroller may set fees for any continuing education courses and providers of continuing education courses in amounts reasonable and necessary to cover the comptroller's costs in administering the comptroller's duties under this section.~~

~~(c) [(f)] As part of the continuing education requirements for a registered professional appraiser who is the chief appraiser of an appraisal district, the commission by rule shall require the registrant to complete:~~

~~(1) at least half of the required hours in a program devoted to one or more of the topics listed in Section 1151.164(b); and~~

~~(2) at least two of the required hours in a program of professional ethics specific to the chief appraiser of an appraisal district, including a program on the importance of maintaining the independence of an appraisal office from political pressure.~~

To the extent of any conflict, this article prevails over another Act of the 87th Legislature, Regular Session, 2021, relating to nonsubstantive additions to and corrections in enacted codes.

HB 1560 by Goldman

Effective September 1, 2021

Property Code

Chapter 5 – Conveyances

Sec. 5.014. Notice of Obligations Related to Public Improvement District

(a) ~~A person who proposes to sell or otherwise convey [A seller of residential]~~ real property that is located in a public improvement district established under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, ~~[and that consists of not more than one dwelling unit located in this state]~~ shall first give to the purchaser of the property the [a] written notice prescribed by Subsection (a-1) or (a-2), as applicable.

~~(a-1) Except for the notice prescribed by Subsection (a-2), the notice required by Subsection (a) shall be executed by the seller and must, except as provided by Subsection (b), read as follows [that reads substantially similar to the following]:~~

NOTICE OF OBLIGATION TO PAY [PUBLIC] IMPROVEMENT DISTRICT ASSESSMENT TO (insert name of municipality or county levying assessment), TEXAS
CONCERNING THE FOLLOWING PROPERTY [AT]
(insert property [street] address)

As the [a] purchaser of the ~~[this parcel of]~~ real property described above, you are obligated to pay assessments ~~[an assessment]~~ to (insert name of [a] municipality or county, as applicable), Texas, for the costs of a portion of a public [an] improvement or services project (the "Authorized Improvements") undertaken for the benefit of the property within (insert name of public improvement district) (the "District") created ~~[by a public improvement district]~~ under (insert Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, as applicable).

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED IMPROVEMENTS, WHICH MAY BE PAID IN FULL AT ANY TIME. IF THE ASSESSMENT IS NOT PAID IN FULL, IT WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS THAT WILL VARY FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID, COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.

The exact amount of the assessment may be obtained from (insert name of municipality or county, as applicable). The exact amount of each annual installment will be approved each year by (insert name of city council or county commissioners court, as applicable) in the annual service plan update for the district ~~[The assessment may be due annually or in periodic installments]~~. More information about the assessments, including ~~[concerning]~~ the amounts ~~[amount of the assessment]~~ and ~~[the]~~ due dates, ~~[of that assessment]~~ may be obtained from (insert name of ~~[the]~~ municipality or county, as applicable) ~~[levying the assessment]~~.

~~[The amount of the assessments is subject to change.]~~ Your failure to pay any assessment or any annual installment may ~~[the assessments could]~~ result in penalties and interest being added to what you owe or in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Date: _____

Signature of Purchaser

(a-2) For a district described by Section 372.0035, Local Government Code, the notice required by Subsection (a) shall be executed by the seller and must, except as provided by Subsection (b), read as follows:

NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO (insert name of municipality levying assessment), TEXAS
CONCERNING THE FOLLOWING HOTEL PROPERTY
(insert property address)

As the purchaser of the real property described above, you are obligated to pay assessments to (insert name of municipality), Texas, for the costs of a portion of a public improvement or services project (the "Authorized Services") undertaken for the benefit of the property within (insert name of public improvement district) (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED SERVICES, WHICH MUST BE PAID IN FULL WITH EVERY PAYMENT BY THE HOTEL OF LOCAL HOTEL

OCCUPANCY TAX REMITTANCES TO THE MUNICIPALITY. YOUR FAILURE TO PAY THE ASSESSMENT MAY RESULT IN PENALTIES AND INTEREST BEING ADDED TO WHAT YOU OWE, AND MAY INCLUDE THE PURSUIT OF ANY OTHER REMEDY THAT IS AUTHORIZED UNDER SECTION 372.0035(d), LOCAL GOVERNMENT CODE.

Information about the calculation of the assessment may be obtained from (insert name of the municipality). The exact assessment rate will be approved each year by (insert name of city council) in the annual service plan update for the district. More information about the assessments, including the assessment rate and due dates, may be obtained from (insert name of municipality).

The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Date:

Signature of Purchaser

(b) The seller or the municipality or county that created the public improvement district may provide additional information regarding the district in the notice prescribed by Subsection (a-1) or (a-2), including whether an assessment has been levied, the amount of the assessment, and the payment schedule for assessments. [The seller shall deliver the notice required under Subsection (a) to the purchaser before the effective date of an executory contract binding the purchaser to purchase the property. The notice may be given separately, as part of the contract during negotiations, or as part of any other notice the seller delivers to the purchaser. If the notice is included as part of the executory contract or another notice, the title of the notice prescribed by this section, the references to the street address and date in the notice, and the purchaser's signature on the notice may be omitted.]

(c) This section does not apply to a transfer:

- (1) under a court order or foreclosure sale;
- (2) by a trustee in bankruptcy;
- (3) to a mortgagee by a mortgagor or successor in interest or to a beneficiary of a deed of trust by a trustor or successor in interest;
- (4) by a mortgagee or a beneficiary under a deed of trust who has acquired the land at a sale conducted under a power of sale under a deed of trust or a sale under a court-ordered foreclosure or has acquired the land by a deed in lieu of foreclosure;
- (5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
- (6) from one co-owner to another co-owner of an undivided interest in the real property;
- (7) to a spouse or a person in the lineal line of consanguinity of the seller;
- (8) to or from a governmental entity; or
- (9) of only a mineral interest, leasehold interest, or security interest[~~;~~ or
- [(10) of a real property interest in a condominium].

(d) For the purposes of this section, a [If an executory] contract for the purchase and sale of real property having a performance period of less than six months is considered a sale requiring notice [is entered into without the seller providing the notice required by this section, the purchaser may terminate the contract for any reason not later than the earlier of:

[(1) the seventh day after the date the purchaser receives the notice; or

[(2) the date the transfer occurs as provided by the executory contract].

[(e) The purchaser's right to terminate the executory contract under Subsection (d) is the purchaser's exclusive remedy for the seller's failure to provide the notice required by this section.]

Section 5.014, Property Code, as added by this Act, applies only to a sale or conveyance of property for which a binding contract is executed on or after the effective date of this Act. A sale or conveyance for which a binding contract is executed before the effective date of this Act is governed by the law in effect on the date the contract is executed, and the former law is continued in effect for that purpose.

HB 1543 by Parker

Effective September 1, 2021

Sec. 5.0141. Notice Required before Contract Execution

(a) The notice required by Section 5.014 shall be given to the prospective purchaser before the execution of a binding contract of purchase and sale, either separately or as an addendum or paragraph of a purchase contract.

(b) In the event a contract of purchase and sale is entered into without the seller providing the notice, the purchaser is entitled to terminate the contract.

(c) If, however, the seller furnishes the notice at or before closing the purchase and sale contract and the purchaser elects to close even though the notice was not timely furnished before execution of the contract, it shall be conclusively presumed that the purchaser has waived all rights to terminate the contract under Subsection (b) or recover damages or other remedies or rights under Section 5.0145.

(d) Notwithstanding any provision of this section, Section 5.014, 5.0142, 5.0143, 5.0144, or 5.0145, all sellers, title companies, real estate brokers, and examining attorneys, and any agent, representative, or person acting on their behalf, are not liable for damages under Section 5.0145, or for any other damages to any person, for:

(1) failing to provide the notice to a purchaser before execution of a binding contract of purchase and sale or at or before the closing of the purchase and sale contract when the municipality or county has not filed the service plan as required by Section 372.013, Local Government Code; or

(2) unintentionally providing a notice that is not the correct notice under the circumstances before execution of a binding contract of purchase and sale, or at or before the closing of the purchase and sale contract.

Sec. 5.0142. Purchaser Signature Required

The purchaser shall sign the notice required by Section 5.014 or the purchase contract including the notice to evidence the receipt of notice.

Sec. 5.0143. Recording of Notice at Closing

At the closing of purchase and sale, a separate copy of the notice required by Section 5.014 with current information shall be executed by the seller and purchaser, acknowledged, and recorded in the deed records of the county in which the property is located.

Sec. 5.0144. Reliance on Filed Service Plan

(a) For the purposes of the notice required by Section 5.014, all sellers, title companies, real estate brokers, and examining attorneys, and any agent, representative, or person acting on their behalf, are entitled to rely on the accuracy of the service plan as last filed by each municipality or county under Section 372.013, Local Government Code, in completing the notice form to be executed by the seller and purchaser at the closing of purchase and sale.

(b) Any information taken from the service plan as last filed by the municipality or county and the information contained in or shown on the notice form contained in the service plan under Section 372.013, Local Government Code, not including information provided as to the assessments or annual installment amounts as authorized by Section 5.014(b), shall be, for purposes of the notice required by Section 5.014, conclusively presumed as a matter of law to be correct.

(c) All subsequent sellers, purchasers, title insurance companies, real estate brokers, examining attorneys, and lienholders are entitled to rely on the service plan filed by the municipality or county, including the notice form contained in the service plan, under Section 372.013, Local Government Code.

(d) If the notice required by Section 5.014 is given at closing as provided by Section 5.0141(c), a purchaser, or the purchaser's heirs, successors, or assigns, are not entitled to maintain an action for damages against a seller, title insurance company, real estate broker, or lienholder, or any agent, representative, or person acting on their behalf, because the seller:

(1) used the notice form included in the service plan filed by the municipality or county under Section 372.013, Local Government Code; or

(2) relied on the filed legal description of the public improvement district in determining whether the property is located in the district.

(e) No action may be maintained against any title company for failure to disclose the inclusion of the property in a public improvement district when the municipality or county has not filed the service plan under Section 372.013, Local Government Code, with the clerk of each county in which the district is located.

(f) All sellers, title insurance companies, examining attorneys, vendors of property and tax information, real estate brokers, and lienholders, and any agent, representative, or person acting on their behalf, are entitled to rely on the accuracy of:

(1) the service plan last filed by the municipality or county or the information in the notice form filed by the district under Section 372.013, Local Government Code; or

(2) for the purposes of the notice required by Section 5.014, the information in the service plan filed by the municipality or county in effect as of January 1 of each year for the period January 1 through December 31 of such calendar year.

Sec. 5.0145. Suits for Damages

(a) If any sale or conveyance of real property within a public improvement district is not made in compliance with Section 5.014, 5.0141, 5.0142, or 5.0143, the purchaser may institute a suit for damages under the provisions of Subsection (b) or (e).

(b) A purchaser of real property whose sale or conveyance is subject to the notice requirement under Section 5.014, if the sale or conveyance of the property is not made in compliance with that section or Section 5.0141, 5.0142, or 5.0143, may institute a suit for damages in the amount of all costs relative to the purchase of the property at the time of purchase, plus interest and reasonable attorney's fees.

(c) The suit for damages under Subsection (b) may be instituted jointly or severally against the person, firm, corporation, partnership, organization, business trust, estate, trust, association, or other legal entity that sold or conveyed the property to the purchaser.

(d) Following the recovery of damages under Subsection (b), the amount of the damages shall first be paid to satisfy all unpaid obligations on each outstanding lien on the property and the remainder of the damage amount shall be paid to the purchaser. On payment of all damages respectively to the lienholders and purchaser, the purchaser shall reconvey the property to the seller.

(e) A purchaser of real property whose sale or conveyance is subject to the notice requirement under Section 5.014, if the sale or conveyance of the property is not made in compliance with that section or Section 5.0141, 5.0142, or 5.0143, may institute a suit for damages in an amount not to exceed \$5,000, plus reasonable attorney's fees.

(f) A purchaser is not entitled to recover damages under both Subsections (b) and (e), and entry of a final decision awarding damages to the purchaser under either Subsection (b) or (e) shall preclude the purchaser from recovering damages under the other subsection.

(g) The relief provided under Subsections (b) and (e) shall be the exclusive remedies for a purchaser aggrieved by the seller's failure to comply with the provisions of Section 5.014, 5.0141, 5.0142, or 5.0143.

(h) An action for damages does not apply to, affect, alter, or impair the validity of any existing vendor's lien, mechanic's lien, or deed of trust lien on the property.

(i) A suit for damages under this section must be brought not later than the earlier of:

(1) the 90th day after the date the purchaser receives the first public improvement district annual assessment installment or tax notice; or

(2) the fourth anniversary of the date the property is sold or conveyed to the purchaser.

(j) Notwithstanding a provision of this section, a purchaser may not recover damages under this section if the purchaser:

(1) purchases an equity in real property and in conjunction with the purchase assumes any liens, whether purchase money or otherwise; and

(2) does not require proof of title by abstract, title policy, or any other proof of title.

(k) A purchaser who purchases real property in a public improvement district and who then sells or conveys the property shall on closing of the subsequent sale or conveyance be conclusively considered to have waived any prior right to damages under this section.

Sections 5.0141, 5.0142, 5.0143, 5.0144, and 5.0145, Property Code, as added by this Act, apply only to a sale or conveyance of property for which a binding contract is executed on or after the effective date of this Act. A sale or conveyance for which a binding contract is executed before the effective date of this Act is governed by the law in effect on the date the contract is executed, and the former law is continued in effect for that purpose.

HB 1543 by Parker

Effective September 1, 2021

Chapter 52 - Judgment Lien

Sec. 52.0012. Release of Record of Lien on Homestead Property

(b) A judgment debtor may~~[, at any time,]~~ file ~~[an affidavit]~~ in the real property records of the county in which the judgment debtor's homestead is located:

(1) an affidavit that substantially complies with Subsection (f); and

(2) a certificate of mailing that substantially complies with Subsection (g).

(b-1) A judgment debtor who files an affidavit under Subsection (b) shall send a letter notifying the judgment creditor of the filing of the affidavit and a copy of the filed affidavit by registered or certified mail, return receipt requested, to:

(1) the judgment creditor's last known address;
(2) the address appearing in the judgment creditor's pleadings in the action in which the judgment was rendered or another court record, if that address is different from the judgment creditor's last known address;
(3) the address of the judgment creditor's last known attorney as shown in those pleadings or another court record; and

(4) the address of the judgment creditor's last known attorney as shown in the records of the State Bar of Texas, if that address is different from the address of the attorney as shown in those pleadings or another court record.
(d) If a judgment debtor has filed a certificate of mailing under Subsection (b) and a contradicting affidavit is not filed under Subsection (e), a [A] bona fide purchaser or a mortgagee for value or a successor or assign of a bona fide purchaser or mortgagee for value may rely conclusively on an affidavit filed under Subsection (b) for the 90-day period that begins on the 31st day after the date the certificate of mailing was filed ~~[if included with the affidavit is evidence that:~~

~~[(1) the judgment debtor sent a letter and a copy of the affidavit, without attachments and before execution of the affidavit, notifying the judgment creditor of the affidavit and the judgment debtor's intent to file the affidavit; and~~

~~[(2) the letter and the affidavit were sent by registered or certified mail, return receipt requested, 30 or more days before the affidavit was filed to:~~

~~[(A) the judgment creditor's last known address;~~

~~[(B) the address appearing in the judgment creditor's pleadings in the action in which the judgment was rendered or another court record, if that address is different from the judgment creditor's last known address;~~

~~[(C) the address of the judgment creditor's last known attorney as shown in those pleadings or another court record; and~~

~~[(D) the address of the judgment creditor's last known attorney as shown in the records of the State Bar of Texas, if that address is different from the address of the attorney as shown in those pleadings or another court record].~~

(e) An affidavit filed under Subsection (b) does not serve as release of record of a judgment lien established under this chapter with respect to a purchaser or mortgagee of real property that acquires the purchaser's or mortgagee's interest from the judgment debtor if, not later than the 30th day after the date a certificate of mailing was filed under Subsection (b), [after] the judgment creditor files a contradicting affidavit in the real property records of the county in which the real property is located asserting that:

(1) the affidavit or certificate of mailing filed by the judgment debtor under Subsection (b) is untrue; or

(2) another reason exists as to why the judgment lien attaches to the judgment debtor's property.

(f) An affidavit filed under Subsection (b) must be in substantially the following form:

HOMESTEAD AFFIDAVIT AS RELEASE OF JUDGMENT LIEN

Before me, the undersigned authority, on this day personally appeared _____ ("Affiant(s)") (insert name of one or more affiants) who, being first duly sworn, upon oath states:

(1) My/our name is/are _____ (insert name of Affiant(s)). I/we own the following described land ("Land"):

(describe the property claimed as homestead)

(2) This affidavit is made for the purpose of effecting a release of that judgment lien recorded in _____ (refer to recording information of judgment lien) ("Judgment Lien") as to the Land.

(3) The Land includes as its purpose use for a home for Affiant(s) and is the homestead of Affiant(s), as homestead is defined in Section 41.002, Property Code. The Land does not exceed:

(A) 10 acres of land, if used for the purposes of an urban home or as both an urban home and a place to exercise a calling or business; or

(B) 200 acres for a family or 100 acres for a single, adult person not otherwise entitled to a homestead, if used for the purposes of a rural home.

(4) ~~Attached to this affidavit is evidence that:~~

~~[(A) Affiant(s) sent a letter and a copy of this affidavit, without attachments and before execution of the affidavit, notifying the judgment creditor in the Judgment Lien of this affidavit and the Affiant(s)' intent to file for record this affidavit; and~~

~~[(B) the letter and this affidavit were sent by registered or certified mail, return receipt requested, 30 or more days before this affidavit was filed to:~~

~~[(i) the judgment creditor's last known address;~~

~~[(ii) the address appearing in the judgment creditor's pleadings in the action in which the judgment was rendered or another court record, if that address is different from the judgment creditor's last known address;~~

~~[(iii) the address of the judgment creditor's last known attorney as shown in those pleadings or another court record; and~~

~~[(iv) the address of the judgment creditor's last known attorney as shown in the records of the State Bar of Texas, if that address is different from the address of the attorney as shown in those pleadings or another court record.~~

[(5)] This affidavit serves as a release of the Judgment Lien as to the Land in accordance with Section 52.0012, Property Code.

Signed on this _____ day of _____, _____.

(Signature of Affiant(s))

State of _____

County of _____

SWORN TO AND SUBSCRIBED before me on the _____ day of _____, 20____.

My commission expires:

Notary Public, State of Texas

Notary's printed name:

(g) A certificate of mailing filed under Subsection (b) must be in substantially the following form:

CERTIFICATE OF MAILING

OF HOMESTEAD AFFIDAVIT AS RELEASE OF JUDGMENT LIEN

Before me, the undersigned authority, on this day personally appeared _____ ("Affiant(s)") (insert name(s) of Affiant(s)) who, being first duly sworn, upon oath state(s):

(1) My name is/Our names are _____ (insert name(s) of Affiant(s)).

(2) On the _____ day of _____, 20____, Affiant(s) caused a Homestead Affidavit as Release of Judgment Lien to be recorded in _____ (refer to affidavit recording information) ("Affidavit").

(3) On the _____ day of _____, 20____, Affiant(s) sent a letter and a copy of the Affidavit, notifying the judgment creditor of the Affiant's homestead claim and the filing of the Affidavit, by registered or certified mail, return receipt requested, to:

(A) the judgment creditor's last known address;

(B) the address appearing in the judgment creditor's pleadings in the action in which the judgment was rendered or another court record, if that address is different from the judgment creditor's last known address;

(C) the address of the judgment creditor's last known attorney as shown in those pleadings or another court record; and

(D) the address of the judgment creditor's last known attorney as shown in the records of the State Bar of Texas, if that address is different from the address of the attorney as shown in those pleadings or another court record.

(4) Attached to this certificate are:

(A) a true and correct copy of the letter described by Subdivision (3) of this certificate;
and

(B) proof of mailing of the letter described by Subdivision (3) of this certificate.

Signed on the _____ day of _____, 20____.

(Signature of Affiant(s))

State of _____

County of _____

SWORN TO AND SUBSCRIBED before me on the _____ day of _____, 20____.

My commission expires:

Notary Public, State of Texas

Notary's printed name:

The change in law made by this Act applies only to an affidavit filed under Section 52.0012(b), Property Code, as amended by this Act, on or after the effective date of this Act. An affidavit filed under Section 52.0012(b), Property Code, as amended by this Act, before the effective date of this Act is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

HB 3115 by Shine

Effective September 1, 2021

Special District Local Laws Code

Chapter 3828 - Lake View Management and Development District in Henderson County

Sec. 3828.157. Inapplicability of Certain Tax Code Provisions

Sections 26.04, 26.042, 26.05, 26.07, and 26.075, Tax Code, do not apply to a tax imposed under Section 3828.153 or 3828.156.

SB 1438 by Bettencourt

Effective June 16, 2021

Chapter 8876 - Reeves County Groundwater Conservation District

Sec. 8876.152. Applicability of Certain Tax Provisions

(a) Sections 26.04, 26.042, 26.05, 26.06, 26.061, 26.07, and 26.075, Tax Code, do not apply to a tax imposed by the district.

SB 1438 by Bettencourt

Effective June 16, 2021

Transportation Code

Chapter 521 - Driver's Licenses and Certificates

Sec. 521.1211. Driver's License for Peace Officers and Prosecutors [~~Officer~~]

(a) In this section:

(1) "Peace [~~peace~~] officer" has the meaning assigned by Article 2.12, Code of Criminal Procedure, except that the term includes a special investigator as defined by Article 2.122, Code of Criminal Procedure.

(2) "Prosecutor" means a county attorney, district attorney, criminal district attorney, assistant county attorney, assistant district attorney, or assistant criminal district attorney.

(a-1) This section applies only to a peace officer and a prosecutor.

(b) Notwithstanding Section 521.121(a), the department by rule shall adopt procedures for the issuance of a driver's license to an applicant [~~a peace officer~~] that omits the license holder's actual residence address and includes, as an alternative, an address described under Subsection (f) [~~that is acceptable to the department and is in the:~~

~~(1) municipality or county of the peace officer's residence; or~~

~~(2) county of the peace officer's place of employment].~~

(c) To be issued a driver's license under this section, an applicant [~~a peace officer~~] must apply to the department and provide sufficient evidence acceptable to the department to establish the applicant's status as a person described under

Subsection (a-1) [peace officer]. On issuance of the license, the license holder shall surrender any other driver's license issued to the holder by the department.

(d) If the holder of a driver's license that includes an alternative address moves to a new residence, or, for a prosecutor, to a new office address, or if the name of the person is changed by marriage or otherwise, the license holder shall, not later than the 30th day after the date of the address or name change, notify the department and provide the department with the number of the person's driver's license and, as applicable, the person's:

- (1) former and new addresses; or
- (2) former and new names.

(e) If the holder of a driver's license that includes an alternative address ceases to be a person described by Subsection (a-1) [peace officer], the license holder shall, not later than the 30th day after the date of the status change, apply to the department for issuance of a duplicate license. The duplicate license must include the person's actual current residence address.

(f) The department shall accept as an alternative address:

- (1) for a peace officer, an address that is in the:
 - (A) municipality or county of the peace officer's residence; or
 - (B) county of the peace officer's place of employment; and
- (2) for a prosecutor, the address of an office of the prosecutor.

HB 368 by Sherman

Effective September 1, 2021

Utilities Code

Chapter 33 - Jurisdiction and Powers of Municipality

Sec. 33.0211. Rates and Fees Charged by Certain Municipally Owned Utilities

(a) This section applies only to a municipally owned utility that is located in a municipality that is considered to be a defunding municipality under Chapter 109, Local Government Code.

(b) The governing body of a municipally owned utility may not charge a customer:

(1) at a rate higher than the rate the customer was charged or would have been charged on January 1 of the year that the municipality was determined to be a defunding municipality;

(2) any customer fees in amounts higher than the customer fees the customer was charged or would have been charged on January 1 of the year that the municipality was determined to be a defunding municipality; or

(3) any types of customer fees that the customer was not charged or would not have been charged on January 1 of the year that the municipality was determined to be a defunding municipality.

(c) If a municipally owned utility has not transferred funds to the defunding municipality described by Subsection (a) in the immediately preceding 12 months, the municipally owned utility may increase its rates to account for:

(1) pass-through charges imposed by a state regulatory body or the independent organization certified under Section 39.151;

(2) fuel, hedging, or wholesale power cost increases; or

(3) to fulfill debt obligations or comply with Chapter 1502, Government Code.

(d) A municipally owned utility that increases rates under this Subsection (c) may not transfer funds to the defunding municipality described by Subsection (a) until the date the criminal justice division of the governor's office issues a written determination in accordance with Section 109.005, Local Government Code, finding that the municipality described by Subsection (a) has reversed the reduction described by Section 109.003(1), Local Government Code.

Section 33.0211, Utilities Code, as added by this Act, applies only to a proceeding for the establishment of rates for which the governing body of a municipally owned utility has not issued a final order or decision before the effective date of this Act. A proceeding for which the governing body of a municipally owned utility has issued a final order or decision before the effective date of this Act is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

HB 1900 by Goldman

Effective September 1, 2021

Water Code

Chapter 49 - Provisions Applicable to all Districts

Sec. 49.062. Offices and Meeting Places

(b) Except as provided by Subsection (b-1), the [The] board shall designate one or more places inside or outside the district for conducting the meetings of the board. The meeting place may be a private residence or office, provided that the board, in its order establishing the meeting place, declares the same to be a public place and invites the public to attend any meeting of the board. If the board establishes a meeting place or places outside the district, it shall give notice of the location or locations by filing a true copy of the resolution establishing the location or locations of the meeting place or places and a justification of why the meeting will not be held in the district or within 10 miles of the boundary of the district, if applicable, with the commission and also by publishing notice of the location or locations in a newspaper of general circulation in the district. If the location of any of the meeting places outside the district is changed, notice of the change shall be given in the same manner.

(b-1) In this subsection, "rural area district" means a district in which more than half of the district's projected retail water or sewer connections are active and that is not wholly or partly located in a county that as of the 2010 Census had a population of 800,000 or more or bordered a county with a population of 800,000 or more. If the board of a rural area district conducts meetings at least quarterly, the board shall conduct a meeting at a designated meeting location inside the district or within 10 miles of the boundary of the district at least once per quarter. If the board determines that it is not practical to meet within 10 miles of the boundary of the district, the district may conduct the quarterly meeting at another designated meeting place in the county in which the district is located.

To the extent of any conflict, this Act prevails over another Act of the 87th Legislature, Regular Session, 2021, relating to nonsubstantive additions to and corrections in enacted codes.

HB 1154 by Jetton

Effective September 1, 2021

Sec. 49.0631. ~~District~~ [Meeting] Information on Water Bill

A district providing potable water or sewer service shall as a part of the district's billing process include on a district's bill to a customer the following statement: "For more information about the district, including information about the district's board and board meetings, please go to the Comptroller's Special Purpose District Public Information Database or (district's Internet website if the district maintains an Internet website, or, if the district does not maintain an Internet website, the Internet website or websites the district uses to comply with Section 2051.202, Government Code, and Section 26.18, Tax Code)." The statement may be altered to provide the current Internet website address of ~~[either]~~ the database created under Section 403.0241, Government Code, ~~[or]~~ the district, or the Internet website or websites the district uses to comply with Section 2051.202, Government Code, and Section 26.18, Tax Code.

To the extent of any conflict, this Act prevails over another Act of the 87th Legislature, Regular Session, 2021, relating to nonsubstantive additions to and corrections in enacted codes.

HB 1154 by Jetton

Effective September 1, 2021

Sec. 49.107. Operation and Maintenance Tax

(g) Sections 26.04, 26.042, 26.05, 26.061, 26.07, and 26.075, Tax Code, do not apply to a tax levied and collected under this section or an ad valorem tax levied and collected for the payment of the interest on and principal of bonds issued by a district.

SB 1438 by Bettencourt

Effective June 16, 2021

Sec. 49.108. Contract Elections

(f) Sections 26.04, 26.042, 26.05, 26.061, 26.07, and 26.075, Tax Code, do not apply to a tax levied and collected for payments made under a contract approved in accordance with this section.

SB 1438 by Bettencourt

Effective June 16, 2021

Sec. 49.236. Notice of Tax Hearing

(a) Before the board adopts an ad valorem tax rate for the district for debt service, operation and maintenance purposes, or contract purposes, the board shall give notice of each meeting of the board at which the adoption of a tax rate will be considered. The notice must:

(1) contain a statement in substantially the following form:

"NOTICE OF PUBLIC HEARING ON TAX RATE

"The (name of the district) will hold a public hearing on a proposed tax rate for the tax year (year of tax levy) on (date and time) at (meeting place). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the tax rate that is adopted and on the change in the taxable value of your property in relation to the change in taxable value of all other property. The change in the taxable value of your property in relation to the change in the taxable value of all other property determines the distribution of the tax burden among all property owners.

"Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

"(Names of all board members and, if a vote was taken, an indication of how each voted on the proposed tax rate and an indication of any absences.)";

(2) contain the following information:

(A) the district's total adopted tax rate for the preceding year and the proposed tax rate, expressed as an amount per \$100;

(B) the difference, expressed as an amount per \$100 and as a percent increase or decrease, as applicable, in the proposed tax rate compared to the adopted tax rate for the preceding year;

(C) the average appraised value of a residence homestead in the district in the preceding year and in the current year; the district's total homestead exemption, other than an exemption available only to disabled persons or persons 65 years of age or older, applicable to that appraised value in each of those years; and the average taxable value of a residence homestead in the district in each of those years, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older;

(D) the amount of tax that would have been imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older;

(E) the amount of tax that would be imposed by the district in the current year on a residence homestead appraised at the average appraised value of a residence homestead in that year, disregarding any homestead exemption available only to disabled persons or persons 65 years of age or older, if the proposed tax rate is adopted;

(F) the difference between the amounts of tax calculated under Paragraphs (D) and (E), expressed in dollars and cents and described as the annual percentage increase or decrease, as applicable, in the tax to be imposed by the district on the average residence homestead in the district in the current year if the proposed tax rate is adopted; and

(G) if the proposed combined debt service, operation and maintenance, and contract tax rate requires or authorizes an election to approve or reduce the tax rate, as applicable, a description of the purpose of the proposed tax increase;

(3) contain a statement in substantially the following form, as applicable:

(A) if the district is a district described by Section 49.23601:

"NOTICE OF VOTE ON TAX RATE

"If the district adopts a combined debt service, operation and maintenance, and contract tax rate that would result in the taxes on the average residence homestead increasing by more than eight percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23601, Water Code.";

(B) if the district is a district described by Section 49.23602:

"NOTICE OF VOTE ON TAX RATE

"If the district adopts a combined debt service, operation and maintenance, and contract tax rate that would result in the taxes on the average residence homestead increasing by more than 3.5 percent, an election must be held to determine whether to approve the operation and maintenance tax rate under Section 49.23602, Water Code."; or

(C) if the district is a district described by Section 49.23603:

"NOTICE OF TAXPAYERS' RIGHT TO ELECTION TO REDUCE TAX RATE

"If the district adopts a combined debt service, operation and maintenance, and contract tax rate that would result in the taxes on the average residence homestead increasing by more than eight percent, the qualified voters of

the district by petition may require that an election be held to determine whether to reduce the operation and maintenance tax rate to the voter-approval tax rate under Section 49.23603, Water Code."; and

(4) include the following statement: "The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.".

The changes in law made by this Act apply only to a notice required to be delivered for an ad valorem tax year that begins on or after January 1, 2022.

HB 2723 by Meyer

Effective June 3, 2021

Sec. 49.4645. District in Certain Counties: Bonds for Recreational Facilities

(a) A district all or part of which is located in Bastrop County, Bexar County, Waller County, Travis County, Williamson County, Harris County, Galveston County, Brazoria County, Montgomery County, or Fort Bend County may issue bonds supported by ad valorem taxes to pay for the development and maintenance of recreational facilities only if the bonds are authorized by a majority vote of the voters of the district voting in an election held for that purpose. Except as provided by Subsection (a-1), the [The] outstanding principal amount of bonds, notes, and other obligations issued to finance parks and recreational facilities supported by ad valorem taxes may not exceed an amount equal to one percent of the value of the taxable property in the district [or, if supported by contract taxes under Section 49.108, may not exceed an amount equal to one percent of the value of the taxable property in the districts making payments under the contract] as shown by the tax rolls of the central appraisal district at the time of the issuance of the bonds, notes, and other obligations [or an amount greater than the estimated cost provided in the park plan under Subsection (b), whichever is smaller]. To establish the value of the taxable property in a district under this section, the district may use an estimate of the value provided by the central appraisal district. The district may not issue bonds supported by ad valorem taxes to pay for the development and maintenance of:

- (1) indoor or outdoor swimming pools; or
- (2) golf courses.

(a-1) The outstanding principal amount of bonds, notes, and other obligations issued to finance a recreational facility under Subsection (a) may exceed an amount equal to one percent but not three percent of the value of the taxable property in the district or, if supported by contract taxes under Section 49.108, the value of the taxable property in the districts making payments under the contract, if the district has:

- (1) a ratio of debt to certified assessed valuation of 10 percent or less;
- (2) a credit rating that conforms to commission rules;
- (3) a credit enhanced rating on the district's proposed bond issue that conforms to commission rules; or
- (4) a contract with a political subdivision or an entity acting on behalf of a political subdivision under which

the political subdivision or the entity agrees to provide to the district taxes or other revenues, as consideration for the district's development or acquisition of the facility, including a contract under Section 49.108.

HB 1410 by Murphy

Effective June 14, 2021

Chapter 54 - Municipal Utility Districts

Sec. 54.016. Consent of City

(e) A city may provide in its written consent to the inclusion of land in a district, that the district construct all facilities to serve the land in accordance with plans and specifications which have been approved by the city. The city may also provide in its written consent that the city shall have the right to inspect all facilities being constructed by a district. The city's consent to the inclusion of land in the district may also contain restrictions on the terms and provisions of the district's bonds and notes issued to provide service to the land and conditions on the sale of the district's bonds and notes if the restrictions and conditions do not generally render the bonds and notes of districts in the city's extraterritorial jurisdiction unmarketable. The city's consent to the inclusion of land in a district may restrict the purposes for which a district may issue bonds to [the] purposes authorized by law for the district [of the purchase, construction, acquisition, repair, extension and improvement of land, easements, works, improvements, facilities, plants, equipment and appliances necessary to:

- (1) provide a water supply for municipal uses, domestic uses and commercial purposes;
- (2) collect, transport, process, dispose of and control all domestic, industrial or communal wastes whether in fluid, solid or composite state; and

~~[(3) gather, conduct, divert and control local storm water or other local harmful excesses of water in the district and the payment of organization expenses, operation expenses during construction and interest during construction].~~

The change in law made by this Act to Section 54.016(e), Water Code, does not affect the terms of a city's resolution or ordinance adopted before the effective date of this Act that constitutes a valid, written consent under Section 54.016 of that code for land that was included in a district prior to the effective date of this Act.

HB 1410 by Murphy

Effective June 14, 2021

Proposed Constitutional Amendments

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1-b(m), Article VIII, Texas Constitution, is amended to read as follows:

(m) The legislature by general law may provide that the surviving spouse of a member of the armed services of the United States who is killed or fatally injured in the line of duty ~~[in action]~~ is entitled to an exemption from ad valorem taxation of all or part of the market value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the death of the member of the armed services.

SECTION 2. The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) This temporary provision applies to the constitutional amendment proposed by the 87th Legislature, Regular Session, 2021, authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a member of the armed services of the United States who is killed or fatally injured in the line of duty.

(b) The amendment to Section 1-b(m), Article VIII, of this constitution takes effect January 1, 2022, and applies only to a tax year beginning on or after that date.

(c) This temporary provision expires January 1, 2023.

SECTION 3. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 2, 2021. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a member of the armed services of the United States who is killed or fatally injured in the line of duty."

SJR 35 by Campbell

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1-g(b), Article VIII, Texas Constitution, is amended to read as follows:

(b) The legislature by general law may authorize a county or an incorporated city or town to issue bonds or notes to finance the development or redevelopment of an unproductive, underdeveloped, or blighted area within the county, city, or town and to pledge for repayment of those bonds or notes increases in ad valorem tax revenues imposed on property in the area by the county, city, or town and other political subdivisions. A county that issues bonds or notes for transportation improvements under a general law authorized by this subsection may not:

(1) pledge for the repayment of those bonds or notes more than 65 percent of the increases in ad valorem tax revenues each year; or

(2) use proceeds from the bonds or notes to finance the construction, operation, maintenance, or acquisition of rights-of-way of a toll road.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 2, 2021. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment authorizing a county to finance the development or redevelopment of transportation or infrastructure in unproductive, underdeveloped, or blighted areas in the county."

HJR 99 by Canales

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1-b(d), Article VIII, Texas Constitution, is amended to read as follows:

(d) Except as otherwise provided by this subsection, if a person receives a residence homestead exemption prescribed by Subsection (c) of this section for homesteads of persons who are 65 years of age or older or who are disabled, the total amount of ad valorem taxes imposed on that homestead for general elementary and secondary public school purposes may not be increased while it remains the residence homestead of that person or that person's spouse who receives the exemption. If a person who is 65 years of age or older or who is disabled dies in a year in which the person received the exemption, the total amount of ad valorem taxes imposed on the homestead for general elementary and secondary public school purposes may not be increased while it remains the residence homestead of that person's

surviving spouse if the spouse is 55 years of age or older at the time of the person's death, subject to any exceptions provided by general law. The legislature, by general law, may provide for the transfer of all or a proportionate amount of a limitation provided by this subsection for a person who qualifies for the limitation and establishes a different residence homestead. However, taxes otherwise limited by this subsection may be increased to the extent the value of the homestead is increased by improvements other than repairs or improvements made to comply with governmental requirements and except as may be consistent with the transfer of a limitation under this subsection. For a residence homestead subject to the limitation provided by this subsection in the 1996 tax year or an earlier tax year, the legislature shall provide for a reduction in the amount of the limitation for the 1997 tax year and subsequent tax years in an amount equal to \$10,000 multiplied by the 1997 tax rate for general elementary and secondary public school purposes applicable to the residence homestead. For a residence homestead subject to the limitation provided by this subsection in the 2014 tax year or an earlier tax year, the legislature shall provide for a reduction in the amount of the limitation for the 2015 tax year and subsequent tax years in an amount equal to \$10,000 multiplied by the 2015 tax rate for general elementary and secondary public school purposes applicable to the residence homestead.

SECTION 2. The following temporary provision is added to the Texas Constitution:

TEMPORARY PROVISION. (a) The changes to the law made by Section 1, Chapter 1284 (H.B. 1313), Acts of the 86th Legislature, Regular Session, 2019, are validated.

(b) An action taken by a tax official in reliance on Section 1, Chapter 1284 (H.B. 1313), Acts of the 86th Legislature, Regular Session, 2019, is validated.

(c) A collector who collected school district ad valorem taxes from a surviving spouse who, under the law as amended by Section 1, Chapter 1284 (H.B. 1313), Acts of the 86th Legislature, Regular Session, 2019, was entitled to receive a limitation on school district taxes on the spouse's residence homestead shall calculate the school district taxes that should have been imposed for the 2020 and 2021 tax years taking into account the change in law made by that Act and, if the taxes collected by the collector for those tax years exceed the taxes that should have been imposed as calculated under this subsection, the collector shall refund to the surviving spouse the difference between the taxes collected and the taxes that should have been imposed as calculated under this subsection.

(d) This temporary provision expires January 1, 2023.

SECTION 3. This proposed constitutional amendment shall be submitted to the voters at an election to be held November 2, 2021. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment to allow the surviving spouse of a person who is disabled to receive a limitation on the school district ad valorem taxes on the spouse's residence homestead if the spouse is 55 years of age or older at the time of the person's death."

HJR 125 by Ellzey