

By: Thierry

H.B. No. 3040

A BILL TO BE ENTITLED

AN ACT

relating to substandard residential building fines issued by certain municipalities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter Z, Chapter 214, Local Government Code, is amended by adding Section 214.908 to read as follows:

Sec. 214.908. SUBSTANDARD RESIDENTIAL BUILDING FINE ISSUED BY CERTAIN MUNICIPALITIES. (a) This section applies only to a municipality located in a county with a population of 3.3 million or more.

(b) In this section:

(1) "Residential building" means:

(A) a single-family residential building leased or rented by the owner of the building to another person; or

(B) a multifamily residential building containing more than one dwelling unit leased or rented by the owner of the building to another person.

(2) "Substandard residential building" means a residential building that is:

(A) dilapidated or unfit for human habitation;  
and

(B) a hazard to the public health, safety, or welfare.

(3) "Substandard residential building fine" means a

1 fine or penalty imposed by a municipality on the owner of a  
2 substandard residential building under a municipal ordinance  
3 applicable to the condition of the building.

4 (c) An owner of a substandard residential building is  
5 personally liable for the payment of a substandard residential  
6 building fine imposed for the owner's building.

7 (d) A municipality may file a lien in the manner prescribed  
8 by this section on the property on which a substandard residential  
9 building is located, and for which the owner has received a  
10 substandard residential building fine, for the total amount of all  
11 outstanding substandard residential building fines issued for the  
12 property.

13 (e) Before a municipality may file a lien on property under  
14 this section, the municipality shall provide written notice to the  
15 owner of the property. The municipality must provide the notice not  
16 earlier than the 30th day after the date the total amount of  
17 outstanding substandard residential building fines issued for the  
18 property first equals or exceeds \$2,500. The municipality must  
19 provide the notice in person or by mail or, if personal service  
20 cannot be obtained and the address of the owner of the property is  
21 not known, by posting a copy of the notice conspicuously at the  
22 property. The notice must state:

23 (1) the total amount of unpaid substandard residential  
24 building fines issued for the property;

25 (2) that the municipality will not file the lien  
26 before the 31st day after the date the notice is provided under this  
27 subsection; and

1           (3) that the property owner is entitled to submit a  
2 written request for a hearing before the 31st day after the date the  
3 notice is provided under this subsection.

4           (f) A hearing requested under Subsection (e) may be  
5 conducted by the governing body of the municipality or by a board,  
6 commission, or municipal officer designated by the governing body.  
7 At the end of the hearing, the entity or officer that conducted the  
8 hearing shall authorize the municipality to file the lien or  
9 determine that the municipality may not file the lien. The  
10 municipality may not file the lien if the entity or officer  
11 determines that the municipality may not file the lien. If a  
12 property owner does not request a hearing, the municipality may  
13 file the lien on or after the 31st day after the date the  
14 municipality provides the notice as required by Subsection (e).

15           (g) The lien arises and attaches to the property at the time  
16 the notice of the lien is recorded and indexed in the office of the  
17 county clerk in the county in which the property is located. The  
18 notice must contain the name and address of the owner if that  
19 information can be determined with reasonable effort, a legal  
20 description of the property, and the amount of the unpaid balance of  
21 the fine imposed by the municipality.

22           (h) The lien is extinguished if the property owner or  
23 another person pays the fine. The lien is inferior to any  
24 previously recorded bona fide mortgage lien attached to the  
25 property to which the municipality's lien attaches if the mortgage  
26 lien was filed for record in the office of the county clerk of the  
27 county in which the property is located before the date the fine was

1 imposed by the municipality. The municipality's lien is superior to  
2 all other previously recorded judgment liens.

3 SECTION 2. The change in law made by this Act applies only  
4 to a substandard residential building fine, as defined by Section  
5 214.908, Local Government Code, as added by this Act, that is issued  
6 by a municipality on or after the effective date of this Act.

7 SECTION 3. This Act takes effect September 1, 2023.