

AN ACT

relating to certain municipal regulation of conversion of certain office buildings to mixed-use and multifamily residential occupancy.

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

SECTION 1. Subtitle A, Title 7, Local Government Code, is amended by adding Chapter 218 to read as follows:

CHAPTER 218. REGULATION OF MIXED-USE AND MULTIFAMILY RESIDENTIAL USE AND DEVELOPMENT IN CERTAIN MUNICIPALITIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 218.001. DEFINITIONS. In this chapter:

(1) "Heavy industrial use" means a storage, processing, or manufacturing use:

(A) with processes using flammable or explosive materials;

(B) with hazardous conditions; or

(C) that is noxious or offensive from odors, smoke, noise, fumes, or vibrations.

(2) "Mixed-use residential," when used to describe land use or development, means the use or development, as applicable, of a site consisting of residential and nonresidential uses in which the residential uses are at least 65 percent of the total square footage of the development. The term includes the use or development of a condominium.

1 (3) "Multifamily residential," when used to describe
2 land use or development, means the use or development, as
3 applicable, of a site for three or more dwelling units within one or
4 more buildings. The term includes the use or development of a
5 residential condominium.

6 (4) "Permit" has the meaning assigned by Section
7 245.001.

8 Sec. 218.002. APPLICABILITY OF CHAPTER. This chapter
9 applies only to a municipality with a population greater than
10 150,000 that is wholly or partly located in a county with a
11 population greater than 300,000.

12 Sec. 218.003. NO EFFECT ON OTHER RESTRICTIONS AND RULES.
13 This chapter does not limit:

14 (1) a municipality from adopting or enforcing an
15 ordinance, regulation, or other measure:

16 (A) to protect historic landmarks or include
17 properties within the boundaries of local historic districts; or

18 (B) related to the use and occupancy of a
19 residential property that is rented for a period not longer than 30
20 consecutive days;

21 (2) a property owner from enforcing rules or deed
22 restrictions imposed by a property owners' association or by other
23 private agreement;

24 (3) except as otherwise provided by this chapter, a
25 municipality from applying the following regulations that are
26 generally applicable to other developments in the municipality:

27 (A) sewer and water access requirements;

1 zone supporting military aviation operations.

2 Sec. 218.102. CERTAIN REGULATIONS PROHIBITED. (a)

3 Notwithstanding any other law, a municipality may not, in
4 connection with the use, development, construction, or occupancy of
5 a building proposed to be converted to mixed-use residential or
6 multifamily residential use, require:

7 (1) the preparation of a traffic impact analysis or
8 other study relating to the effect the proposed converted building
9 would have on traffic or traffic operations;

10 (2) the construction of improvements or payment of a
11 fee in connection with mitigating traffic effects related to the
12 proposed converted building;

13 (3) the provision of additional parking spaces, other
14 than the parking spaces that already exist on the site of the
15 proposed converted building;

16 (4) the extension, upgrade, replacement, or
17 oversizing of a utility facility except as necessary to provide the
18 minimum capacity needed to serve the proposed converted building;

19 (5) a limit on density applicable to the site of the
20 proposed converted building that is more restrictive than the
21 greater of:

22 (A) the highest residential density allowed in
23 the municipality; or

24 (B) 36 units per acre;

25 (6) a building proposed to be converted to multifamily
26 residential occupancy not located in an area zoned for mixed-use
27 residential use to include nonresidential uses;

1 (7) a design requirement, including a requirement
2 related to the exterior, windows, internal environment of a
3 building, or interior space dimensions of an apartment, that is
4 more restrictive than the applicable minimum standard under the
5 International Building Code as adopted as a municipal commercial
6 building code under Section 214.216;

7 (8) the change of a zoning district or land use
8 classification or regulation or an approval of an amendment,
9 exception, or variance to a zoning district or land use
10 classification or regulation prior to allowing conversion of a
11 building to mixed-use residential use or multifamily residential
12 use;

13 (9) a floor-to-area ratio that is less than the
14 greater of:

15 (A) 120 percent of the existing floor-to-area
16 ratio of the building, if the proposed conversion does not increase
17 the existing height or site coverage of the building; or

18 (B) the highest floor-to-area ratio allowed for a
19 building on the site;

20 (10) a limit on impervious cover or site coverage that
21 is less than the existing impervious cover or site coverage of the
22 building or site; or

23 (11) an additional drainage, detention, or water
24 quality requirement, if the proposed conversion does not increase
25 the amount of impervious cover on the building site.

26 (b) For the purposes of Subsection (a)(8), an amendment,
27 exception, or variance to a zoning district or land use

1 classification or regulation includes a special exception, zoning
2 variance, site development variance, subdivision variance,
3 conditional use approval, special use permit, comprehensive plan
4 amendment, or other discretionary approval to allow conversion of a
5 building to mixed-use residential use or multifamily residential
6 use.

7 Sec. 218.103. IMPACT FEE PROHIBITED. A municipality may
8 not impose an impact fee, as defined by Section 395.001, on land
9 where a building has been converted to mixed-use residential or
10 multifamily residential use unless:

11 (1) the land on which the building is located was
12 already subject to an impact fee before a building permit related to
13 the conversion was filed with the municipality; and

14 (2) for an impact fee related to water and wastewater
15 facilities, the conversion increases the demand for water and
16 wastewater service for the building.

17 Sec. 218.104. ADMINISTRATIVE APPROVAL REQUIRED.

18 Notwithstanding any other law, if a municipal authority responsible
19 for approving a building permit or other authorization required for
20 the conversion of a building to mixed-use residential use or
21 multifamily residential use determines that a proposed conversion
22 meets municipal regulations in accordance with this subchapter, the
23 municipal authority:

24 (1) shall administratively approve the permit or other
25 authorization; and

26 (2) may not require further action by the governing
27 body of the municipality for the approval to take effect.

SUBCHAPTER C. ENFORCEMENT

Sec. 218.201. CIVIL ACTION. (a) In this section, "housing organization" means a:

(1) trade or industry group organized under the laws of this state consisting of local members primarily engaged in the construction or management of housing units;

(2) nonprofit organization organized under the laws of this state that:

(A) provides or advocates for increased access or reduced barriers to housing; and

(B) has filed written or oral comments with the legislature; or

(3) nonprofit organization that is engaged in public policy research, education, and outreach that includes housing policy-related issues and advocacy.

(b) A housing organization or other person adversely affected or aggrieved by a violation of this chapter may bring an action for declaratory or injunctive relief against a municipality.

(c) A court shall award reasonable attorney's fees and court costs to a prevailing claimant in an action brought under this section.

(d) Notwithstanding any other law, including Chapter 15, Civil Practice and Remedies Code, an action brought under this section must be brought in a county in which all or part of the real property that is the subject of the action is located.

(e) Notwithstanding any other law, the Fifteenth Court of Appeals has exclusive intermediate appellate jurisdiction over an

1 action brought under this section.

2 SECTION 2. Section 395.011, Local Government Code, is
3 amended by amending Subsection (b) and adding Subsection (b-1) to
4 read as follows:

5 (b) Except as provided by Section 218.103 and Subsection
6 (b-1), political [Political] subdivisions may enact or impose
7 impact fees on land within their corporate boundaries or
8 extraterritorial jurisdictions only by complying with this
9 chapter.

10 (b-1) A political subdivision may not enact or impose an
11 impact fee on land within its~~[, except that impact fees may not be~~
12 ~~enacted or imposed in the]~~ extraterritorial jurisdiction for
13 roadway facilities.

14 SECTION 3. Chapter 218, Local Government Code, as added by
15 this Act, applies only to a building proposed to be converted to
16 mixed-use residential or multifamily residential use in which a
17 building permit was submitted to a municipality on or after the
18 effective date of this Act.

19 SECTION 4. (a) This section takes effect only if S.B. 840,
20 89th Legislature, Regular Session, 2025, is enacted and becomes
21 law. If that legislation is not enacted or does not become law, this
22 section has no effect.

23 (b) It is the intent of the 89th Legislature, Regular
24 Session, 2025, that Chapter 218, Local Government Code, as added by
25 this Act, be harmonized with Chapter 218, Local Government Code, as
26 added by S.B. 840, 89th Legislature, Regular Session, 2025, and
27 that this Act may not be construed to supersede, limit, or narrow

1 the application of that legislation. To the extent that a provision
2 of Chapter 218, Local Government Code, as added by this Act,
3 irreconcilably conflicts with a provision enacted by S.B. 840, 89th
4 Legislature, Regular Session, 2025, it is the intent of the 89th
5 Legislature, Regular Session, 2025, that the provision enacted by
6 S.B. 840, 89th Legislature, Regular Session, 2025, shall control.

7 SECTION 5. This Act takes effect September 1, 2025.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 2477 passed the Senate on May 8, 2025, by the following vote: Yeas 28, Nays 3; and that the Senate concurred in House amendments on May 30, 2025, by the following vote: Yeas 28, Nays 3.

Secretary of the Senate

I hereby certify that S.B. No. 2477 passed the House, with amendments, on May 28, 2025, by the following vote: Yeas 112, Nays 26, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor