

By: Parker

S.B. No. 2489

A BILL TO BE ENTITLED

AN ACT

relating to property owner claims for compensation from certain municipalities that fail to enforce certain laws.

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

SECTION 1. Subchapter Z, Chapter 229, Local Government Code, is amended by adding Section 229.902 to read as follows:

Sec. 229.902. COMPENSATION FOR FAILURE OF MUNICIPALITY TO ENFORCE CERTAIN LAWS OR ABATE PUBLIC NUISANCE. (a) In this section:

(1) "Fair market value" means the price real property will bring when offered for sale by one who desires to sell, but is not obliged to sell, and is bought by one who desires to buy, but is under no necessity of buying.

(2) "Nuisance violation" means a violation of a state law or a municipal ordinance or regulation prohibiting public camping, obstructing a public thoroughfare, loitering, panhandling, public urination or defecation, public consumption of an alcoholic beverage, possession or use of a controlled substance, or retail theft.

(3) "Property owner" means a person:

(A) holding fee simple title in real property; or
(B) leasing real property for which the person is required under the terms of the lease to pay all or part of the property taxes on the property or the cost of maintenance or insurance for the property.

1 (b) This section applies only to a municipality with a
2 population of 900,000 or more.

3 (c) Notwithstanding any other law and except as provided by
4 Subsection (d), a property owner may submit a claim to a
5 municipality for compensation from the municipality with respect to
6 property located in the municipality if the municipality:

7 (1) adopts and follows a policy, pattern, or practice
8 of refusing to enforce a state law or a municipal ordinance or
9 regulation prohibiting a nuisance violation; or

10 (2) maintains a public nuisance.

11 (d) This section does not apply to:

12 (1) a decision by a municipality to exercise
13 prosecutorial discretion not to prosecute a nuisance violation if:

14 (A) the exercise of discretion is based on the
15 circumstances of an individual case; and

16 (B) the municipality publishes a public notice of
17 the justification for the exercise of prosecutorial discretion
18 described by Paragraph (A); or

19 (2) a municipal action required by state or federal
20 law.

21 (e) Except as provided by Subsection (f), a property owner
22 shall elect the amount of compensation paid to the property owner
23 under this section as determined by:

24 (1) the reasonably necessary documented expenses
25 incurred by the property owner to mitigate the effect of the
26 nuisance violation on the property that is the subject of the claim;

27 or

1 (2) the diminution in the fair market value of the
2 property owner's real property that is the subject of the claim.

3 (f) The amount of compensation paid to a property owner
4 under this section may not exceed the amount of property taxes
5 assessed by the municipality on the property that is the subject of
6 the claim and paid by the property owner for the tax year in which
7 the property owner submits the claim for compensation.

8 (g) Not later than the 30th day after the date a
9 municipality receives a written claim for compensation under this
10 section, the municipality shall accept or reject the claim and
11 notify the property owner.

12 (h) If a municipality accepts a claim for compensation under
13 this section, the municipality shall pay the claim in the amount
14 determined under Subsection (e).

15 (i) If a municipality rejects a claim for compensation under
16 this section or does not respond to a claim within the time period
17 prescribed by Subsection (g), the property owner who submitted the
18 claim may file an action in a court of competent jurisdiction in the
19 county in which the property that is the subject of the claim is
20 located.

21 (j) In an action filed under Subsection (i):

22 (1) the court shall determine whether:

23 (A) the property owner is entitled to the
24 compensation claimed; and

25 (B) the amount of compensation claimed is
26 reasonable; and

27 (2) the municipality has the burden of establishing

1 that:

2 (A) the municipal response to the nuisance
3 violation that is the basis for the claim for compensation is
4 lawful; or

5 (B) the amount of compensation claimed is
6 unreasonable.

7 (k) In an action filed under Subsection (i):

8 (1) a municipality may not recover attorney's fees or
9 court costs; and

10 (2) a successful claimant may recover reasonable
11 attorney's fees and court costs from the municipality.

12 (l) A property owner may not submit more than one claim for
13 compensation in the same tax year under this section relating to a
14 property affected by a nuisance violation. A property owner may
15 submit another claim pertaining to that property in the following
16 tax year if:

17 (1) the municipality has not:

18 (A) stopped the policy, pattern, or practice or
19 abated the public nuisance that is the basis for the claim; or

20 (B) entered into an agreement with the property
21 owner to settle the claim; or

22 (2) the property owner submitted a claim for
23 compensation under this section in the preceding tax year in an
24 amount that exceeded the amount described by Subsection (f) for
25 that tax year.

26 (m) A property owner is not required to exhaust any other
27 remedies that may be available under other law before submitting a

1 claim for compensation under this section.

2 (n) A claim for compensation under this section is not
3 exclusive and does not preclude a property owner from seeking any
4 other remedy that may be available under other law.

5 SECTION 2. Section 229.902, Local Government Code, as added
6 by this Act, applies only to a claim for compensation from a
7 municipality based on expenses incurred by a property owner on or
8 after the effective date of this Act.

9 SECTION 3. This Act takes effect September 1, 2025.