

AN ACT

relating to the authority of municipalities to enact a requirement that establishes the sales price for certain housing units or residential lots.

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 214.904 to read as follows:

Sec. 214.904. PROHIBITION OF CERTAIN MUNICIPAL REQUIREMENTS REGARDING SALES OF HOUSING UNITS OR RESIDENTIAL LOTS.

(a) A municipality may not adopt a requirement in any form, including through an ordinance or regulation or as a condition for granting a building permit, that establishes a maximum sales price for a privately produced housing unit or residential building lot.

(b) This section does not affect any authority of a municipality to:

(1) create or implement an incentive, contract commitment, density bonus, or other voluntary program designed to increase the supply of moderate or lower-cost housing units; or

(2) adopt a requirement applicable to an area served under the provisions of Chapter 373A, Local Government Code, which authorizes homestead preservation districts, if such chapter is created by an act of the legislature.

(c) This section does not apply to a requirement adopted by a municipality for an area as a part of a development agreement

1 entered into before September 1, 2005.

2 (d) This section does not apply to property that is part of  
3 an urban land bank program.

4 SECTION 2. This Act takes effect September 1, 2005.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2266 was passed by the House on May 2, 2005, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 2266 on May 27, 2005, by a non-record vote.

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Chief Clerk of the House

I certify that H.B. No. 2266 was passed by the Senate, with amendments, on May 21, 2005, by the following vote: Yeas 27, Nays 3.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor