

## BILL ANALYSIS

Senate Research Center

H.B. 3057  
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State Affairs  
5/15/2007  
Engrossed

### AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

State law authorizes certain governmental entities to exercise the right of eminent domain to cure the problems of urban slum and blight. The statutory definitions for slum and blighted areas are arguably inappropriately broad and imprecise, and conducive to subjective interpretations where any material defect on a property may render it eligible for condemnation.

H.B. 3057 amends the definitions regarding slum and blight and requires a property to meet certain conditions before it may be considered eligible for condemnation on the grounds of blight.

### RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 373.002(b), Local Government Code, to delete references to slums.

SECTION 2. Amends Section 373.004, Local Government Code, to delete references to slums.

SECTION 3. Amends Section 373.006, Local Government Code, to require the governing body of the municipality, before exercising powers under Section 373.005 (Elements of Program), to perform certain duties, including to identify areas of the municipality in which predominantly low and moderate income persons reside and each unit of real property in the municipality that has the characteristics of blight, rather than are blighted or slum areas, or that is a federally assisted new community in the municipality.

SECTION 4. Amends Sections 374.002(a) and (b), Local Government Code, make conforming changes.

SECTION 5. Amends Sections 374.003(3), (18), (25), (26), and (28), Local Government Code, to redefine "blighted area," "rehabilitation," "urban renewal activities," "urban renewal area," and "urban renewal project."

SECTION 6. Amends Section 374.011. Local Government Code, by amending Subsection (a) and adding Subsection (d), as follows:

(a) Makes conforming changes.

(d) Requires the governing body of a municipality to determine that each unit of real property included in a resolution under Subsection (a) (relating to a resolution to undertake urban renewal) has the characteristic of blight.

SECTION 7. Amends Section 374.012(c), Local Government Code, to require the resolution ordering the election and the notice of the election to contain certain information, including a complete legal description of each unit of property, rather than the area, included in the proposed project, and a statement that each unit of property has the characteristics of blight.

SECTION 8. Amends Section 374.013(a), Local Government Code, to make conforming changes.

SECTION 9. Amends Sections 374.014(a), Local Government Code, to make conforming changes.

SECTION 10. Amends Sections 374.015(a) and (d), Local Government Code, as follows:

(a) Makes conforming changes.

(d) Deletes existing text providing an exception to the authorization of a municipality to acquire by condemnation any interest in real property that the municipality considers necessary for or in connection with an urban renewal project.

SECTION 11. Amends Section 374.017(d), Local Government Code, to make conforming changes.

SECTION 12. Amends Section 374.021(b), Local Government Code, to make conforming changes.

SECTION 13. Amends Subchapter B, Chapter 374, Local Government Code, by adding Sections 374.018 and 374.019, as follows:

Sec. 374.018. LIMITATIONS ON CHARACTERIZATIONS OF BLIGHT. (a) Prohibits an area, notwithstanding any other law, from being considered a blighted area on the basis of a condition described by Section 374.003 unless certain requirements are met.

(b) Requires the municipality, if a mailing address for the property owner cannot be determined, to post notice in writing regarding the condition in a conspicuous place on the property.

(c) Prohibits an area from being considered a blighted area solely for an aesthetic reason.

(d) Provides that a determination by a municipality that a unit of real property has the characteristics of blight is valid for two years.

(e) Authorizes a municipality, after the two-year period prescribed by Subsection (d), to make a new determination that the unit of real property has the characteristics of blight and redesignate the unit of real property as a blighted area for another two-year period.

(f) Authorizes a municipality to remove a determination of blight under this chapter if the municipality finds that the property owner has remedied the condition that was the basis for the determination.

Sec. 374.019. COMMON OWNER PROPERTY. Authorizes a municipality, for the purposes of this chapter and Chapter 21 (Eminent Domain), Property Code, if a municipality determines that two or more contiguous units of real property that are owned by the same person have the characteristics of blight, to treat those units of property as one unit of property.

SECTION 14. Amends Section 2206.001(b), Government Code, to prohibit a governmental or private entity from taking private property through the use of eminent domain under certain conditions, including if the taking is for economic development purposes, unless the economic development results from municipal community development or municipal urban renewal activities to eliminate an existing affirmative harm on society from blighted areas under certain circumstances.

SECTION 15. Amends Section 21.041, Property Code, to require the special commissioners (disinterested freeholders that reside in a county who are appointed by a judge of a court in which a condemnation petition is filed), as the basis for assessing actual damages to a property owner from a condemnation, to admit certain evidence, including evidence on the injury to the property owner, including the financial damages associated with the cost of relocating from the condemned property, if the property was habitable, to another property that allows the property owner to have a standard of living comparable to the property owner's standard of living before the condemnation of the property.

SECTION 16. Amends Section 21.042(d), Property Code, to require the special commissioners, in estimating the injury or benefit, to consider certain information, including any injury or benefit that is peculiar to the property owner, including the property owner's financial damages described by Section 21.041.

SECTION 17. Amends Sections 21.046(a) and (b), Property Code, as follows:

(a) Requires, rather than authorizes, a department, agency, instrumentality, or political subdivision of this state to provide a relocation advisory service for an individual, a family, a business concern, a farming or ranching operation, or nonprofit organization that is compatible with the Federal Uniform Relocation Assistance Advisory Program.

(b) Requires, rather than authorizes, this state or a political subdivision of this state to, as a cost of acquiring real property, pay moving expenses and rental supplements, make relocation payments, provide financial assistance to acquire replacement housing, and compensate for expenses incidental to the transfer of the property if an individual, a family, the personal property of a business, a farming or ranching operation, or a nonprofit organization is displaced in connection with the acquisition.

SECTION 18. Repealer: Section 374.003(19) (definition of "slum area"), Local Government Code.

Repealer: Section 374.016 (Slum Clearance), Local Government Code.

SECTION 19. Effective date: upon passage or September 1, 2007.