

BILL ANALYSIS

H.B. 364
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Land & Resource Management
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, the city of Houston is prohibited from implementing an urban renewal plan for an abandoned condominium complex unless the city follows an arcane procedure involving city council resolutions, public notice, and an election. In Houston, as in many large cities, the cost of holding an election on an urban renewal plan for a small number of acres is cost prohibitive.

An abandoned condominium complex presents a special challenge to urban renewal in many parts of Houston because the land underneath the complex may be owned by hundreds of individuals and companies. A developer is not likely to spend the time and money necessary to locate and negotiate with all the owners, and a lender will not finance a redevelopment effort in the absence of clear title. As a result, an abandoned property often becomes a haven for homelessness, prostitution, violent crime, and illicit drug use, endangering the health and safety of neighboring property owners and lowering property values. An abandoned condominium complex offers a compelling case for the use of municipal eminent domain authority, especially as part of an urban renewal plan authorized under state law.

H.B. 364 requires the owner of a condominium located wholly or partly in a municipality with a population of more than 1.9 million to provide written notice of a new address to the local appraisal district and authorizes such a city to exercise strictly limited eminent domain authority to acquire a condominium complex not lawfully occupied for at least one year.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 364 amends the Property Code to require a unit owner of a condominium located wholly or partly in a municipality with a population of more than 1.9 million to provide written notice of the owner's new address to the appraisal district in which the condominium is located not later than the 90th day after the date the unit owner changes the unit owner's mailing address. The bill makes a conforming change in a provision relating to a condominium information statement in general.

H.B. 364 amends the Local Government Code to authorize a municipality with a population of more than 1.9 million to take a condominium through the use of eminent domain if all lawful occupation of or construction activity for the condominium has ceased, or reasonably appears to have ceased, for more than 365 consecutive days and the taking is for the elimination of urban blight on the particular parcel of property where the condominium is located. The bill provides for the meaning of "condominium" by reference to the Property Code and makes a conforming change in the Government Code.

EFFECTIVE DATE

September 1, 2011.