

## **SB BILL ANALYSIS**

S.B. 173  
By: West  
Urban Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Health and safety violations in multi-family and single-family rental properties have increased in recent years. Although many municipalities have increased enforcement actions against those properties that habitually violate habitability standards, loopholes within existing statutes have allowed property owners to avoid these penalties by transferring the property to other entities. S.B.173 closes these loopholes by clarifying statute to ensure that actions required by a municipality to remedy code violations are not nullified upon sale.

Specifically, S.B.173 authorizes municipalities to pursue penalties for violations of municipal ordinances in rem, so that any court-ordered judgments pertain to the structure, not the property owner. It also expands the ability of a municipality to pursue the appointment of a receiver for those properties that habitually receive citations for violating municipal health and safety ordinances. Finally, S.B.173 aligns receivership provisions for all properties by allowing a court to appoint an individual or a nonprofit organization, with a demonstrated record rehabilitating properties as a receiver, similar to the current authority granted to municipalities for historic properties.

As proposed, S.B.173 amends current law relating to civil remedy of violations of certain municipal and safety ordinances.

### **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**

SECTION 1. Amends Section 54.018(b), Local Government Code, as follows:

(b) Authorizes a municipality, in an action under this section (relating to an action for the repair or demolition of a structure), to bring a claim for civil penalties under Section 54.017 (Civil Penalty) and an action in rem against the structure that may result in a judgment against the structure as well as a judgment against the defendant.

SECTION 2. Amends Sections 214.003(a), (b), (c), and (i), Local Government Code, as follows:

(a) Authorizes a home-rule municipality to bring an action in district court against an owner of property that is not in substantial compliance with a municipal ordinance described by Sections 54.012(1), (2), (5)-(7), or (9) (relating to various authorizations for a municipality to bring a civil action for the enforcement of an ordinance). Makes conforming and non-substantive changes.

(b) Authorizes the court, except as provided by Subsection (c), to appoint a nonprofit organization or an individual with a demonstrated record of rehabilitating properties as a receiver for the property, if the court finds that certain requirements have been met, including that a public hearing as required by Section 214.001(b), rather than Section 214.001(d), has been conducted.

(c) Authorizes a receiver appointed under Subsection (b) to act as a receiver for any property, including historic property subject to Section 214.00111 (Additional Authority to Preserve Substandard Building as Historic Property). Deletes existing text setting forth certain court findings as necessary preconditions for appointment of a receiver for historic property subject to Section 214.00111. Makes conforming changes.

(i) Makes a conforming change.

### **EFFECTIVE DATE**

September 1, 2011.