

By: Callegari

H.B. No. 138

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the acquisition of and compensation for real property,
3 including blighted property, for public purposes through
4 condemnation or certain other means.

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

6 SECTION 1. Section 373.002(b), Local Government Code, is
7 amended to read as follows:

8 (b) Activities conducted under this chapter are directed
9 toward the following purposes:

10 (1) elimination of [~~slums and~~] areas affected by
11 blight;

12 (2) prevention of blighting influences and of the
13 deterioration of property and neighborhood and community
14 facilities important to the welfare of the community;

15 (3) elimination of conditions detrimental to the
16 public health, safety, and welfare;

17 (4) expansion and improvement of the quantity and
18 quality of community services essential for the development of
19 viable urban communities;

20 (5) more rational use of land and other natural
21 resources;

22 (6) improved arrangement of residential, commercial,
23 industrial, recreational, and other necessary activity centers;

24 (7) restoration and preservation of properties of

1 special value for historic, architectural, or aesthetic reasons;

2 (8) reduction of the isolation of income groups in
3 communities and geographical areas, promotion of increased
4 diversity and vitality of neighborhoods through spatial
5 deconcentration of housing opportunities for persons of low and
6 moderate income, and revitalization of deteriorating or
7 deteriorated neighborhoods to attract persons of higher income; and

8 (9) alleviation of physical and economic distress
9 through the stimulation of private investment and community
10 revitalization in [~~slum or~~] blighted areas.

11 SECTION 2. Section 373.004, Local Government Code, is
12 amended to read as follows:

13 Sec. 373.004. GOALS OF PROGRAM. Through a community
14 development program, a municipality may conduct work or activities
15 designed to:

16 (1) improve the living and economic conditions of
17 persons of low and moderate income;

18 (2) benefit low or moderate income neighborhoods;

19 (3) aid in the prevention or elimination of [~~slums~~
20 ~~and~~] blighted areas;

21 (4) aid a federally assisted new community; or

22 (5) meet other urgent community development needs,
23 including an activity or function specified for a community
24 development program that incorporates a federally assisted new
25 community.

26 SECTION 3. Section 373.006, Local Government Code, is
27 amended to read as follows:

1 Sec. 373.006. REQUIRED PROCEDURES BEFORE ADOPTION OF
2 COMMUNITY DEVELOPMENT PROGRAM. Before exercising powers under
3 Section 373.005, the governing body of the municipality must:

4 (1) identify areas of the municipality in which
5 predominantly low and moderate income persons reside and each unit
6 of real property in the municipality~~[7]~~ that has the
7 characteristics of blight ~~[are blighted or slum areas]~~ or that is a
8 ~~[are]~~ federally assisted new community in the municipality
9 ~~[communities]~~;

10 (2) establish community development program areas in
11 which community development activities, building rehabilitation,
12 or the acquisition of privately owned buildings or land is
13 proposed;

14 (3) adopt, by resolution or ordinance, a plan under
15 which citizens may publicly comment on the proposed community
16 development program;

17 (4) conduct public hearings on the proposed program
18 before the 15th day before the date of its final adoption by the
19 governing body; and

20 (5) adopt the community development program by
21 resolution or ordinance.

22 SECTION 4. Sections 374.002(a) and (b), Local Government
23 Code, are amended to read as follows:

24 (a) The legislature finds that ~~[slum and]~~ blighted areas
25 exist in municipalities in this state and that those areas:

26 (1) are a serious and growing menace that is injurious
27 and inimical to the public health, safety, morals, and welfare of

1 the residents of this state;

2 (2) contribute substantially and increasingly to the
3 spread of disease and crime, requiring excessive and
4 disproportionate expenditures of public funds for the preservation
5 of the public health and safety, and for crime prevention,
6 correctional facilities, prosecution and punishment, treatment of
7 juvenile delinquency, and the maintenance of adequate police, fire,
8 and accident protection and other public services and facilities;
9 and

10 (3) constitute an economic and social liability,
11 substantially impair the sound growth of affected municipalities,
12 and retard the provision of housing accommodations.

13 (b) For these reasons, prevention and elimination of [~~slum~~
14 ~~and~~] blighted areas are matters of state policy and concern that may
15 be best addressed by the combined action of private enterprise,
16 municipal regulation, and other public action through approved
17 urban renewal plans. The legislature further finds that the repair
18 and rehabilitation of buildings and other improvements in affected
19 areas, public acquisition of real property, demolition of buildings
20 and other improvements as necessary to eliminate [~~slum or~~] blight
21 conditions or to prevent the spread of those conditions, the
22 disposition of property acquired in affected areas and incidental
23 to the purposes stated by this subsection, and other public
24 assistance to eliminate those conditions are public purposes for
25 which public money may be spent and the power of eminent domain
26 exercised.

27 SECTION 5. Sections 374.003(3), (18), (25), (26), and (28),

1 Local Government Code, are amended to read as follows:

2 (3) "Blighted area" means a tract or unit of real
3 property [an area] that presents four or more of the following
4 conditions for at least one year after the date on which notice of
5 the conditions is provided to the property owner as required by
6 Section 374.018(a)(1) or (b):

7 (A) the property contains uninhabitable, unsafe,
8 or abandoned structures;

9 (B) the property has inadequate provisions for
10 sanitation;

11 (C) there exists on the property an imminent harm
12 to life or other property caused by fire, flood, hurricane,
13 tornado, earthquake, storm, or other natural catastrophe declared
14 to have brought about a state of disaster under Section 418.014,
15 Government Code, or that brought about a disaster for which a
16 request for federal assistance is made under Section 418.021,
17 Government Code;

18 (D) the property has been identified by the
19 United States Environmental Protection Agency as a superfund site
20 under the federal Comprehensive Environmental Response,
21 Compensation, and Liability Act of 1980 (42 U.S.C. Section 9601 et
22 seq.) or as environmentally contaminated to an extent that the
23 property requires remedial investigation or a feasibility study;

24 (E) the property has been the location of
25 substantiated and repeated illegal activity of which the property
26 owner knew or should have known;

27 (F) the maintenance of the property is below

1 county or municipal standards;

2 (G) the property is abandoned and contains a
3 structure that is not fit for its intended use because the
4 utilities, sewerage, plumbing, or heating or a similar service or
5 facility of the structure has been disconnected, destroyed,
6 removed, or rendered ineffective; or

7 (H) the property presents an economic liability
8 to the immediate area because of deteriorating structures or
9 hazardous conditions [~~is not a slum area, but that, because of~~
10 ~~deteriorating buildings, structures, or other improvements,~~
11 ~~defective or inadequate streets, street layout, or accessibility,~~
12 ~~unsanitary conditions, or other hazardous conditions, adversely~~
13 ~~affects the public health, safety, morals, or welfare of the~~
14 ~~municipality and its residents, substantially retards the~~
15 ~~provision of a sound and healthful housing environment, or results~~
16 ~~in an economic or social liability to the municipality. The term~~
17 ~~includes an area certified as a disaster area as provided by Section~~
18 ~~374.903].~~

19 (18) "Rehabilitation" means the restoration of
20 buildings or other structures to prevent deterioration of an area
21 that is tending to become a blighted area [~~or a slum area~~].

22 (25) "Urban renewal activities" includes [~~slum~~
23 ~~clearance,~~] redevelopment, rehabilitation, and conservation
24 activities to prevent further deterioration of an area that is
25 tending to become a blighted [~~or slum~~] area. The term includes:

26 (A) the acquisition of all or part of a [~~slum area~~
27 ~~or~~] blighted area or the acquisition of land that is predominantly

1 open and that, because of obsolete platting, diversity of
2 ownership, deterioration of structures or site improvements, or for
3 other reasons, substantially impairs or arrests the sound growth of
4 the community;

5 (B) the demolition and removal of buildings and
6 improvements;

7 (C) the installation, construction, or
8 reconstruction of streets, utilities, parks, playgrounds, and
9 other improvements necessary to fulfill urban renewal objectives in
10 accordance with an urban renewal plan;

11 (D) the disposition by the municipality of
12 property acquired in an urban renewal area for use in accordance
13 with an urban renewal plan, including the sale or initial lease of
14 the property at its fair value or the retention of the property;

15 (E) the implementation of plans for a program of
16 voluntary repair and rehabilitation of buildings or improvements in
17 accordance with an urban renewal plan; and

18 (F) the acquisition of real property in an urban
19 renewal area as necessary to remove or prevent the spread of blight
20 or deterioration or to provide land for needed public facilities.

21 (26) "Urban renewal area" means a [~~slum area,~~
22 blighted area~~, or a combination of these areas~~] that the governing
23 body of a municipality designates as appropriate for an urban
24 renewal project.

25 (28) "Urban renewal project" includes any of the
26 following activities undertaken in accordance with an urban renewal
27 plan:

1 (A) municipal activities in an urban renewal area
2 that are designed to eliminate or to prevent the development or
3 spread of ~~[slums and]~~ blighted areas;

4 (B) ~~[slum clearance and redevelopment in an urban
5 renewal area,~~

6 ~~[(C)]~~ rehabilitation or conservation in an urban
7 renewal area;

8 (C) ~~[(D)]~~ development of open land that, because
9 of location or situation, is necessary for sound community growth
10 and that is to be developed, by replatting and planning, for
11 predominantly residential uses; or

12 (D) ~~[(E)]~~ any combination or part of the
13 activities described by Paragraphs (A)-(C) ~~[(A)-(D)]~~.

14 SECTION 6. Section 374.011, Local Government Code, is
15 amended by amending Subsection (a) and adding Subsection (d) to
16 read as follows:

17 (a) Except as provided by Section 374.012, a municipality
18 may not exercise a power granted under this chapter unless:

19 (1) the governing body of the municipality adopts a
20 resolution that finds that a ~~[slum area or]~~ blighted area exists in
21 the municipality and that the rehabilitation, the conservation, or
22 the ~~[slum clearance and]~~ redevelopment of the area is necessary for
23 the public health, safety, morals, or welfare of the residents of
24 the municipality; and

25 (2) a majority of the municipality's voters voting in
26 an election held as provided by Subsection (b) favor adoption of the
27 resolution.

1 (d) The governing body of the municipality must determine
2 that each unit of real property included in a resolution under
3 Subsection (a) has the characteristics of blight.

4 SECTION 7. Section 374.012(c), Local Government Code, is
5 amended to read as follows:

6 (c) The resolution ordering the election and the notice of
7 the election must contain:

8 (1) a complete legal description of each unit of real
9 property [~~the area~~] included in the proposed project;

10 (2) a statement of the nature of the proposed project;
11 [~~and~~]

12 (3) a statement of the total amount of local funds to
13 be spent on the proposed project; and

14 (4) a statement that each unit of real property has the
15 characteristics of blight.

16 SECTION 8. Section 374.013(a), Local Government Code, is
17 amended to read as follows:

18 (a) To further the urban renewal objectives of this chapter,
19 a municipality may formulate a workable program to use appropriate
20 private and public resources, including the resources specified by
21 Subsection (b), to encourage urban rehabilitation, to provide for
22 the redevelopment of [~~slum and~~] blighted areas, or to undertake
23 those activities or other feasible municipal activities as may be
24 suitably employed to achieve the objective of the program. The
25 program must specifically include provisions relating to:

26 (1) prevention, through diligent enforcement of
27 housing and occupancy controls and standards, of the expansion of

1 blight into areas of the municipality that are free from blight; and

2 (2) rehabilitation or conservation of [~~slum and~~
3 blighted areas as far as practicable to areas that are free from
4 blight through replanning, removing congestion, providing parks,
5 playgrounds, and other public improvements, encouraging voluntary
6 rehabilitation and requiring the repair and rehabilitation of
7 deteriorated or deteriorating structures[~~, and the clearance and~~
8 ~~redevelopment of slum areas~~].

9 SECTION 9. Section 374.014(a), Local Government Code, is
10 amended to read as follows:

11 (a) A municipality may not prepare an urban renewal plan for
12 an area unless the governing body of the municipality has, by
13 resolution, declared the area to be a [~~slum area, a~~ blighted area[~~,
14 or both,~~] and has designated the area as appropriate for an urban
15 renewal project. The governing body may not approve an urban
16 renewal plan until a general plan has been prepared for the
17 municipality. A municipality may not acquire real property for an
18 urban renewal project until the governing body has approved the
19 urban renewal plan as provided by Subsection (d).

20 SECTION 10. Sections 374.015(a) and (d), Local Government
21 Code, are amended to read as follows:

22 (a) A municipality may exercise all powers necessary or
23 convenient to carry out the purposes of this chapter, including the
24 power to:

25 (1) conduct preliminary surveys to determine if
26 undertaking an urban renewal project is feasible;

27 (2) conduct urban renewal projects within its area of

1 operation;

2 (3) execute contracts and other instruments necessary
3 or convenient to the exercise of its powers under this chapter;

4 (4) provide, arrange, or contract for the furnishing
5 or repair by any person of services, privileges, works, streets,
6 roads, public utilities, or other facilities in connection with an
7 urban renewal project, including installation, construction, and
8 reconstruction of streets, utilities, parks, playgrounds, and
9 other public improvements necessary to carry out an urban renewal
10 project;

11 (5) acquire any real property, including
12 improvements, and any personal property necessary for
13 administrative purposes, that is necessary or incidental to an
14 urban renewal project, hold, improve, clear, or prepare the
15 property for redevelopment, mortgage or otherwise encumber or
16 dispose of the real property, insure or provide for the insurance of
17 real or personal property or municipal operations against any risk
18 or hazard and to pay premiums on that insurance, and enter any
19 necessary contracts;

20 (6) invest urban renewal project funds held in
21 reserves or sinking funds, or not required for immediate
22 disbursement, in property or securities in which banks may legally
23 invest funds subject to their control, redeem bonds issued under
24 Section 374.026 at the redemption price established in the bond, or
25 purchase those bonds at less than the redemption price, and cancel
26 the bonds redeemed or purchased;

27 (7) borrow money and apply for and accept advances,

1 loans, grants, contributions, and other forms of financial
2 assistance from the federal, state, or county government, other
3 public body, or other public or private sources for the purposes of
4 this chapter, give any required security, and make and carry out any
5 contracts in connection with the financial assistance;

6 (8) make plans necessary to carry out this chapter in
7 its area of operation, contract with any person in making and
8 carrying out the plans, and adopt, approve, modify or amend the
9 plans;

10 (9) develop, test, and report methods and techniques
11 for the prevention of [~~slums~~ and] urban blight, conduct
12 demonstrations and other activities in connection with those
13 methods and techniques, and apply for, accept, and use federal
14 grants made for those purposes;

15 (10) prepare plans and provide reasonable assistance
16 for the relocation of persons displaced from an urban renewal
17 project area, including families, business concerns, and others, as
18 necessary to acquire possession and to clear the area in order to
19 conduct the urban renewal project;

20 (11) appropriate funds and make expenditures as
21 necessary to implement this chapter and, subject to Subsection (c),
22 levy taxes and assessments for that purpose;

23 (12) close, vacate, plan, or replan streets, roads,
24 sidewalks, ways, or other places, plan, replan, zone, or rezone any
25 part of the municipality and make exceptions from building
26 regulations, and enter agreements with an urban renewal agency
27 vested with urban renewal powers under Subchapter C, which may

1 extend over any period, restricting action to be taken by the
2 municipality under any of the powers granted under this chapter;

3 (13) organize, coordinate, and direct the
4 administration of this chapter within the area of operation as
5 those provisions apply to the municipality to most effectively
6 promote and achieve the purposes of this chapter and establish new
7 municipal offices or reorganize existing offices as necessary to
8 most effectively implement those purposes; and

9 (14) issue tax increment bonds.

10 (d) A [~~Except as provided by Section 374.016, a~~
11 municipality may acquire by condemnation any interest in real
12 property, including a fee simple interest, that the municipality
13 considers necessary for or in connection with an urban renewal
14 project. Property dedicated to a public use may be acquired in that
15 manner, except that property belonging to the state or to a
16 political subdivision of the state may not be acquired without the
17 consent of the state or political subdivision.

18 SECTION 11. Section 374.017(d), Local Government Code, is
19 amended to read as follows:

20 (d) Real property or an interest in real property subject to
21 this section may only be sold, leased, or otherwise transferred or
22 retained at not less than the fair value of the property for uses in
23 accordance with the urban renewal plan. In determining the fair
24 value, the municipality shall consider:

25 (1) the uses provided in the urban renewal plan;

26 (2) any restrictions on and any covenants, conditions,
27 and obligations assumed by the purchaser, lessee, or municipality

1 in retaining the property;

2 (3) the objectives of the plan for the prevention of
3 the recurrence of [~~slums or~~] blighted areas; and

4 (4) any other matters that the municipality specifies
5 as appropriate.

6 SECTION 12. Subchapter B, Chapter 374, Local Government
7 Code, is amended by adding Sections 374.018 and 374.019 to read as
8 follows:

9 Sec. 374.018. LIMITATIONS ON CHARACTERIZATIONS OF BLIGHT.

10 (a) Notwithstanding any other law, an area may not be considered a
11 blighted area on the basis of a condition described by Section
12 374.003 unless:

13 (1) the municipality has given notice in writing to
14 the property owner by first class mail regarding the condition to
15 the:

16 (A) last known address of the property owner; and

17 (B) physical address of the property; and

18 (2) the property owner fails to take reasonable
19 measures to remedy the condition.

20 (b) If a mailing address for the property owner cannot be
21 determined, the municipality shall post notice in writing regarding
22 the condition in a conspicuous place on the property.

23 (c) An area may not be considered a blighted area solely for
24 an aesthetic reason.

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

27 (e) After the two-year period prescribed by Subsection (d),

1 a municipality may make a new determination that the unit of real
2 property has the characteristics of blight and redesignate the unit
3 of real property as a blighted area for another two-year period.

4 (f) A municipality may remove a determination of blight
5 under this chapter if the municipality finds that the property
6 owner has remedied the condition that was the basis for the
7 determination.

8 Sec. 374.019. COMMON OWNER PROPERTY. For the purposes of
9 this chapter and Chapter 21, Property Code, if a municipality
10 determines that two or more contiguous units of real property that
11 are owned by the same person have the characteristics of blight, the
12 municipality may treat those units of real property as one unit of
13 real property.

14 SECTION 13. Section 374.021(b), Local Government Code, is
15 amended to read as follows:

16 (b) In this section, "urban renewal project powers"
17 includes the rights, powers, functions, and duties of a
18 municipality under this chapter. The term does not include the
19 power to:

20 (1) determine an area as a [~~slum area,~~] blighted
21 area[~~, or both~~] and to designate that area as appropriate for an
22 urban renewal project;

23 (2) approve and amend urban renewal plans and hold
24 public hearings relating to those plans;

25 (3) establish a general plan for the locality as a
26 whole;

27 (4) establish a workable program under Section

1 374.013;

2 (5) make determinations and findings under Section
3 374.011(a), 374.013(b), or 374.014(d);

4 (6) issue general obligation bonds; and

5 (7) appropriate funds, levy taxes and assessments, and
6 exercise other functions under Subdivisions (11) and (12) of
7 Section 374.015(a).

8 SECTION 14. Section 2206.001(b), Government Code, is
9 amended to read as follows:

10 (b) A governmental or private entity may not take private
11 property through the use of eminent domain if the taking:

12 (1) confers a private benefit on a particular private
13 party through the use of the property;

14 (2) is for a public use that is merely a pretext to
15 confer a private benefit on a particular private party; or

16 (3) is for economic development purposes, unless the
17 economic development results [~~is a secondary purpose resulting~~]
18 from municipal community development or municipal urban renewal
19 activities to eliminate an existing affirmative harm on society
20 from [~~slum or~~] blighted areas under:

21 (A) Chapter 373 or 374, Local Government Code,
22 other than an activity described by Section 373.002(b)(5), Local
23 Government Code; or

24 (B) Section 311.005(a)(1)(I), Tax Code.

25 SECTION 15. Section 21.041, Property Code, is amended to
26 read as follows:

27 Sec. 21.041. EVIDENCE. As the basis for assessing actual

1 damages to a property owner from a condemnation, the special
2 commissioners shall admit evidence on:

3 (1) the value of the property being condemned;

4 (2) the injury to the property owner, including the
5 financial damages associated with the cost of relocating from the
6 condemned property, if the property was habitable, to another
7 property that allows the property owner to have a standard of living
8 comparable to the property owner's standard of living before the
9 condemnation of the property;

10 (3) the benefit to the property owner's remaining
11 property; and

12 (4) the use of the property for the purpose of the
13 condemnation.

14 SECTION 16. Section 21.042(d), Property Code, is amended to
15 read as follows:

16 (d) In estimating injury or benefit under Subsection (c),
17 the special commissioners shall consider an injury or benefit that
18 is peculiar to the property owner, including the property owner's
19 financial damages described by Section 21.041(2), and that relates
20 to the property owner's ownership, use, or enjoyment of the
21 particular parcel of real property, but they may not consider an
22 injury or benefit that the property owner experiences in common
23 with the general community.

24 SECTION 17. Sections 21.046(a) and (b), Property Code, are
25 amended to read as follows:

26 (a) A department, agency, instrumentality, or political
27 subdivision of this state shall [~~may~~] provide a relocation advisory

1 service for an individual, a family, a business concern, a farming
2 or ranching operation, or a nonprofit organization that [~~if the~~
3 ~~service~~] is compatible with the Federal Uniform Relocation
4 Assistance Advisory Program, 42 U.S.C. Section 4601 [~~23 U.S.C.A.~~
5 ~~501,~~] et seq.

6 (b) This state or a political subdivision of this state
7 shall [~~may~~], as a cost of acquiring real property, pay moving
8 expenses and rental supplements, make relocation payments, provide
9 financial assistance to acquire replacement housing, and
10 compensate for expenses incidental to the transfer of the property
11 if an individual, a family, the personal property of a business, a
12 farming or ranching operation, or a nonprofit organization is
13 displaced in connection with the acquisition.

14 SECTION 18. Section 311.002, Tax Code, is amended by
15 amending Subdivision (1) and adding Subdivision (1-a) to read as
16 follows:

17 (1) "Blighted area" has the meaning assigned by
18 Section 374.003, Local Government Code.

19 (1-a) "Project costs" means the expenditures made or
20 estimated to be made and monetary obligations incurred or estimated
21 to be incurred by the municipality or county establishing a
22 reinvestment zone that are listed in the project plan as costs of
23 public works or public improvements in the zone, plus other costs
24 incidental to those expenditures and obligations. "Project costs"
25 include:

26 (A) capital costs, including the actual costs of
27 the acquisition and construction of public works, public

1 improvements, new buildings, structures, and fixtures; the actual
2 costs of the acquisition, demolition, alteration, remodeling,
3 repair, or reconstruction of existing buildings, structures, and
4 fixtures; and the actual costs of the acquisition of land and
5 equipment and the clearing and grading of land;

6 (B) financing costs, including all interest paid
7 to holders of evidences of indebtedness or other obligations issued
8 to pay for project costs and any premium paid over the principal
9 amount of the obligations because of the redemption of the
10 obligations before maturity;

11 (C) real property assembly costs;

12 (D) professional service costs, including those
13 incurred for architectural, planning, engineering, and legal
14 advice and services;

15 (E) imputed administrative costs, including
16 reasonable charges for the time spent by employees of the
17 municipality or county in connection with the implementation of a
18 project plan;

19 (F) relocation costs;

20 (G) organizational costs, including the costs of
21 conducting environmental impact studies or other studies, the cost
22 of publicizing the creation of the zone, and the cost of
23 implementing the project plan for the zone;

24 (H) interest before and during construction and
25 for one year after completion of construction, whether or not
26 capitalized;

27 (I) the cost of operating the reinvestment zone

1 and project facilities;

2 (J) the amount of any contributions made by the
3 municipality or county from general revenue for the implementation
4 of the project plan; and

5 (K) payments made at the discretion of the
6 governing body of the municipality or county that the governing
7 body finds necessary or convenient to the creation of the zone or to
8 the implementation of the project plans for the zone.

9 SECTION 19. Sections 311.008(b) and (e), Tax Code, are
10 amended to read as follows:

11 (b) A municipality or county may exercise any power
12 necessary and convenient to carry out this chapter, including the
13 power to:

14 (1) cause project plans to be prepared, approve and
15 implement the plans, and otherwise achieve the purposes of the
16 plan;

17 (2) acquire real property by purchase [~~condemnation,~~
18 ~~or other means~~] to implement project plans and sell that property on
19 the terms and conditions and in the manner it considers advisable;

20 (3) enter into agreements, including agreements with
21 bondholders, determined by the governing body of the municipality
22 or county to be necessary or convenient to implement project plans
23 and achieve their purposes, which agreements may include
24 conditions, restrictions, or covenants that run with the land or
25 that by other means regulate or restrict the use of land; and

26 (4) consistent with the project plan for the zone:

27 (A) acquire [~~blighted, deteriorated,~~

1 ~~deteriorating, undeveloped, or inappropriately developed]~~ real
2 property or other property in a blighted area, in an undeveloped
3 area, or in a federally assisted new community in the zone for the
4 preservation or restoration of historic sites, beautification or
5 conservation, the provision of public works or public facilities,
6 or other public purposes;

7 (B) acquire, construct, reconstruct, or install
8 public works, facilities, or sites or other public improvements,
9 including utilities, streets, street lights, water and sewer
10 facilities, pedestrian malls and walkways, parks, flood and
11 drainage facilities, or parking facilities, but not including
12 educational facilities; ~~[or]~~

13 (C) in a reinvestment zone created on or before
14 September 1, 1999, acquire, construct, or reconstruct educational
15 facilities in the municipality; or

16 (D) acquire by condemnation any interest,
17 including a fee simple interest, in real property that is a blighted
18 area and necessary for the reinvestment zone.

19 (e) A municipality or county may acquire by condemnation an
20 interest in real property only if the taking is in accordance with
21 Chapter 2206, Government Code. [The implementation of a project
22 plan to alleviate a condition described by Section 311.005(a)(1),
23 (2), or (3) and to promote development or redevelopment of a
24 reinvestment zone in accordance with this chapter serves a public
25 purpose.]

26 SECTION 20. (a) The following provisions of the Local
27 Government Code are repealed:

1 (1) Section 374.003(19); and

2 (2) Section 374.016.

3 (b) Section 311.008(c), Tax Code, is repealed.

4 SECTION 21. The change in law made by this Act applies only
5 to a condemnation proceeding in which the condemnation petition is
6 filed on or after the effective date of this Act. A condemnation
7 proceeding pending on the effective date of this Act is governed by
8 the law in effect immediately before the effective date of this Act,
9 and that law is continued in effect for that purpose.

10 SECTION 22. This Act takes effect immediately if it
11 receives a vote of two-thirds of all the members elected to each
12 house, as provided by Section 39, Article III, Texas Constitution.
13 If this Act does not receive the vote necessary for immediate
14 effect, this Act takes effect September 1, 2011.