BILL ANALYSIS

Senate Research Center 89R5298 JBD-D H.B. 2011 By: Bell, Cecil (Paxton) Local Government 5/18/2025 Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current state law, a governmental entity with eminent domain authority can acquire real property owned by a property owner for a public use, but a person from whom a real property interest is acquired by an entity through eminent domain is entitled to repurchase the property under certain conditions. Additionally, the bill author has informed the committee that some entities that use eminent domain authority to acquire real property that are required to pay property taxes fail to do so and that those taxes can remain delinquent for multiple years. H.B. 2011 seeks to entitle a former property owner to repurchase the property that was acquired by an entity through eminent domain if the acquiring entity fails to pay property taxes on the property for two years.

H.B. 2011 amends current law relating to the right to repurchase from a condemning entity certain real property for which ad valorem taxes are delinquent.

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 21.101(a), Property Code, as follows:

- (a) Provides that a person from whom a real property interest is acquired by an entity through eminent domain for a public use, or that person's heirs, successors, or assigns, is entitled to repurchase the property as provided by Subchapter E (Repurchase of Real Property From Condemning Entity) if:
 - (1) makes no changes to this subdivision;
 - (2)-(3) makes nonsubstantive changes to these subdivisions; or
 - (4) the entity that acquired the property through eminent domain has an obligation to pay ad valorem taxes on the acquired property and has failed to pay any ad valorem taxes on the acquired property before the second anniversary of the date on which the unpaid taxes became due.

SECTION 2. Amends Section 21.102, Property Code, as follows:

Sec. 21.102. NOTICE TO PREVIOUS PROPERTY OWNER REQUIRED. Requires an entity that acquired a real property interest through eminent domain, not later than the 180th day after the date the entity determines that the former property owner is entitled to repurchase the property under Section 21.101, to send by certified mail, return receipt requested, to the property owner or the owner's heirs, successors, or assigns a notice containing certain information, including that ad valorem taxes due on the property have not been paid by the entity before the second anniversary of the date on which the taxes became due. Makes nonsubstantive changes.

SECTION 3. Amends Section 21.1021, Property Code, by adding Subsection (a-1), as follows:

(a-1) Authorizes a property owner or the owner's heirs, successors, or assigns, if the owner's real property was acquired by an entity that is responsible for paying ad valorem taxes on the acquired property, to request at any time after the 18-month anniversary of the acquisition, but not more than once annually, that the condemning entity make a determination and provide a statement and other relevant information regarding whether all ad valorem taxes on the acquired property have been paid, or if any ad valorem taxes on the acquired property have not been paid the amount of the unpaid ad valorem taxes, each due date of any unpaid ad valorem taxes, and whether the entity has a good faith intention to pay the unpaid ad valorem taxes.

SECTION 4. Amends Section 21.103, Property Code, as follows:

Sec. 21.103. RESALE OF PROPERTY; PRICE. (a) Makes no changes to this subsection.

- (a-1) Authorizes a person entitled to repurchase real property under Section 21.101(a)(4), notwithstanding Subsection (a) (relating to requiring a property owner or the owner's heirs, successors, or assigns to notify certain entities of the person's intent to repurchase the property interest), to inform the entity that acquired the property of the person's intent to repurchase the property before notice or information is required or provided under Section 21.102 or 21.1021 (Requests for Information Regarding Condemned Property).
- (b) Requires the entity, as soon as practicable after receipt of a notice of intent to repurchase under this section, rather than Subsection (a), to offer to sell the property interest to the person for the price paid to the owner by the entity at the time the entity acquired the property through eminent domain.

SECTION 5. Makes application of Subchapter E, Chapter 21, Property Code, as amended by this Act, prospective.

SECTION 6. Effective date: September 1, 2025.