

BILL ANALYSIS

C.S.H.B. 2797

By: Vasut

Land & Resource Management
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texas home-rule municipalities have the authority to adopt ordinances governing local affairs, including zoning regulations that can affect housing occupancy standards. The bill author has informed the committee that some municipalities have implemented occupancy limits based on criteria such as age, familial status, occupation, relationship status, or degrees of kinship among occupants. C.S.H.B. 2797 seeks to standardize occupancy regulations across home-rule municipalities by prohibiting certain restrictive practices.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

C.S.H.B. 2797 amends the Local Government Code to prohibit a home-rule municipality from doing the following:

- adopting or enforcing a zoning ordinance, rule, or other regulation that limits the number of people who may occupy a dwelling unit based on age, familial status, occupation, relationship status, or whether the occupants are related to each other by a certain degree of affinity or consanguinity; and
- requiring a real estate broker, agent, or other third party fiduciary to submit for review or provide access to a lease or related document to determine the number of unrelated occupants of a dwelling unit for the purpose of enforcing a dwelling unit occupancy requirement.

The bill defines "dwelling unit" as a house, apartment unit, or any unit in a multiunit residential structure. The term does not include a unit in a hotel, motel, or other establishment in which more than half of the units are intended to be used for transient accommodations.

C.S.H.B. 2797 establishes that the prohibitions do not do the following:

- prohibit a home-rule municipality from imposing a limit on the number of people who may occupy a dwelling unit based on health and safety standards contained in an adopted building code, a fire code, standards adopted by the Department of State Health Services, or local, state, or federal affordable housing program guidelines; or
- prohibit a property owner from enforcing rules or deed restrictions imposed by a property owners' association or by other private agreement.

The bill authorizes such a municipality to impose a limit on the number of occupants of a dwelling unit that is not more restrictive than one occupant per sleeping room with a minimum

floor area of 70 square feet and one additional occupant for each additional 50 square feet of floor area in the same sleeping room.

C.S.H.B. 2797 authorizes a property owner in a municipality that violates the bill's provisions to bring an action against the municipality for damages incurred due to the violation and for appropriate equitable relief. The bill waives governmental immunity of the municipality to suit and from liability to the extent of liability created by the bill. The bill authorizes a court to award a prevailing claimant reasonable attorney's fees incurred in bringing such an action.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 2797 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes provisions absent from the introduced that do the following with respect to home-rule municipalities:

- authorize a municipality to impose a limit on the number of occupants of a dwelling unit under certain conditions; and
- prohibit a municipality from requiring a real estate broker, agent, or other third party fiduciary to submit for review or provide access to a lease or related document to determine the number of unrelated occupants of a dwelling unit for the purpose of enforcing a dwelling unit occupancy requirement.