BILL ANALYSIS

C.S.S.B. 15 By: Bettencourt Land & Resource Management Committee Report (Substituted)

BACKGROUND AND PURPOSE

According to Texas REALTORS, the median home price in Texas is \$331,000. The bill sponsor has informed the committee that this median price is \$31,000 more than what is considered affordable. The bill sponsor has also informed the committee that lot size minimums that builders must meet often limit development opportunities and thus restrict the housing supply, increasing the overall cost of a home and pricing many out of the market. C.S.S.B. 15 seeks to address this issue by prohibiting certain municipalities from adopting or enforcing an ordinance, rule, or other measure that requires a residential lot to be larger than a certain size, among other provisions.

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.S.B. 15 amends the Local Government Code to set out provisions relating to size and density requirements for residential lots in a municipality with a population of more than 150,000 that is wholly or partly located in a county with a population of more than 300,000. The bill's provisions apply only to a tract of land located in such a municipality that will be platted and located in an area zoned for single-family homes, is five acres or more, and has no recorded map or plat. The bill's provisions do not apply to an area located within:

- one mile of a campus of the perimeter of a law enforcement training center in a county that has a population of 2,600,000 or more but less than 2,700,000;
- 3,000 feet of an airport or military base; or
- 15,000 feet of the boundary of a military base if the area is designated by a municipality or joint airport zoning board, as applicable, as a military airport overlay zone with a clear zone and accident potential zone designation, as described by the military base's air installation compatible use zone report.

C.S.S.B. 15 prohibits an applicable municipality from adopting or enforcing an ordinance, rule, or other measure that requires the following:

- a residential lot to be larger than 1,400 square feet, wider than 20 feet, or deeper than 60 feet; or
- if regulating the density of dwelling units on a residential lot, a ratio of dwelling units per acre that results in fewer than 31.1 units per acre.

C.S.S.B. 15 also prohibits an applicable municipality from adopting or enforcing an ordinance, rule, or other measure that requires a small lot, defined by the bill as a residential lot that is 4,000 square feet or less, to have the following:

- a building, waterway, plane, or other setback greater than five feet from the front or back of the property or greater than five feet from the side of the property;
- covered parking;
- more than one parking space per unit;
- off-site parking;
- more than 30 percent open space or permeable surface;
- fewer than three full stories not exceeding 10 feet in height measured from the interior floor to ceiling;
- a maximum building bulk;
- a wall articulation requirement; or
- any other zoning restriction that imposes restrictions inconsistent with this prohibition, including restrictions through contiguous zoning districts or uses or from the creation of an overlapping zoning district.

The bill authorizes an applicable municipality to require, with respect to a small lot, the sharing of a driveway with another lot or permitting fees equivalent to the permitting fees charged for the development of a lot the use of which is restricted to a single-family residence. The bill also authorizes an applicable municipality to adopt or enforce an ordinance, rule, or other measure with respect to a small lot that applies to land located in an aquifer recharge zone and that relates to the protection of an aquifer.

C.S.S.B. 15 expressly does not prohibit the following:

- an applicable municipality from imposing restrictions that are applicable to all similarly situated lots or subdivisions, including requiring all subdivisions or all small lots to fully mitigate stormwater runoff; or
- property owners from enforcing rules or deed restrictions imposed by a homeowners' association or by other private agreement.

C.S.S.B. 15 authorizes a person that is adversely affected or aggrieved by a municipality's violation of the bill's provisions or a housing organization to bring an action against the municipality or an officer or employee of the municipality in the officer's or employee's official capacity for relief described by the bill. The bill requires a claimant bringing such an action to do so in a county in which the real property that is the subject of the action is wholly or partly located. The bill authorizes a court to do the following with regard to such an action:

- enter a declaratory judgment under the Uniform Declaratory Judgments Act;
- issue a writ of mandamus compelling a defendant officer or employee to comply with the bill's provisions; and
- issue an injunction preventing the defendant from violating the bill's provisions.

The bill requires a court to award reasonable attorney's fees and court costs incurred in bringing such an action to a prevailing claimant. The bill authorizes a claimant in an action brought under these provisions to designate the Fifteenth Court of Appeals as the exclusive intermediate appellate court over an appeal or original proceeding arising from the action.

C.S.S.B. 15 defines "housing organization" for purposes of its provisions as follows:

- a trade or industry group organized under state law consisting of local members primarily engaged in the construction or management of housing units;
- a nonprofit organization organized under state law that provides or advocates for increased access or reduced barriers to housing and has filed written or oral comments with the legislature; or
- a nonprofit organization organized under state law that is engaged in public policy research, education, and outreach that includes housing policy-related issues and advocacy.

C.S.S.B. 15 prohibits its provisions from being construed to affect requirements directly related to the following:

- the use and occupancy of residential units leased for a term of less than 30 days; or
- flooding, sewer facilities, or well water located on an individual residential lot and serving only that lot.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE

While C.S.S.B. 15 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.

The engrossed made the bill's prohibition against the adoption or enforcement of certain dwelling unit lot size requirements applicable only to a tract of land that will be platted and located in an area zoned for single-family homes, is five acres or more, and has no recorded map or plat. The substitute, however, makes all of its provisions applicable only to those tracts of land in an applicable municipality.

The engrossed established that the bill's provisions do not apply to a one-mile radius from the perimeter of a campus that includes a law enforcement training center in a county that has a population of 2,600,000 or more but less than 2,700,000, whereas the substitute establishes that the bill's provisions do not apply to an area located within the following:

- one mile of a campus of the perimeter of a law enforcement training center in a county with such a population;
- 3,000 feet of an airport or military base; or
- 15,000 feet of the boundary of a military base if the area is designated by a municipality or joint airport zoning board, as applicable, as a military airport overlay zone with a clear zone and accident potential zone designation, as described by the military base's air installation compatible use zone report.

Both the engrossed and the substitute authorize an applicable municipality to adopt or enforce an ordinance, rule, or other measure that applies to land located in an aquifer recharge zone and that relates to the protection of an aquifer. However, the substitute clarifies that the authorization is for such a measure with respect to a small lot, whereas the engrossed did not.

The substitute omits the provision from the engrossed that authorized a court, in an action brought under the bill's provisions, to award damages to a claimant for economic losses caused by the defendant's violation of the bill's provisions if the claimant is a person affected or aggrieved by the violation that is the basis for the action. The substitute also omits the provision from the engrossed that waived governmental immunity of a municipality to suit and from liability and official immunity of a municipal officer or employee to the extent of liability created by the bill.

The substitute replaces the engrossed version's provision establishing that the Fifteenth Court of Appeals has exclusive intermediate appellate jurisdiction over an appeal or original proceeding arising from an action brought under the bill's provisions with an authorization for a claimant in such an action to elect in the claimant's petition to designate the Fifteenth Court of Appeals as the exclusive intermediate appellate court over an appeal or original proceeding arising from the action.