BILL ANALYSIS

Senate Research Center

S.B. 1579
By: Blanco
Local Government
6/30/2025
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The borders of the City of Socorro are restricted in growth by its previous agricultural footprint, the international border with Mexico, and city limits shared with other municipalities. This limitation on expansion creates significant infrastructure challenges, as the City must focus on improving what exists within these boundaries. Among the major obstacles in these efforts are the undeveloped, abandoned, and unoccupied plots of land that block the development of new roads and other infrastructure improvements.

S.B. 1579 will establish a process to efficiently identify and repurpose abandoned parcels of land within municipalities in El Paso County. Once declared abandoned, a court-appointed receiver can combine, replat, and sell them, while owners retain due process and any net proceeds are held in a trust.

(Original Author's/Sponsor's Statement of Intent)

S.B. 1579 amends current law relating to the appointment of a receiver for and sale of certain parcels of land that are abandoned, unoccupied, tax delinquent, and undeveloped in certain municipalities.

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 Chapter 212, Local Government Code, by adding Subchapter I, as follows:

SUBCHAPTER I. ABANDONED, UNOCCUPIED, TAX DELINQUENT, AND UNDEVELOPED PARCELS IN CERTAIN MUNICIPALITIES

Sec. 212.301. APPLICABILITY. (a) Provides that this subchapter applies to a municipality that is located in a county that contains a municipality with a population of more than 500,000 and is adjacent to an international border.

(b) Provides that this subchapter applies only to land that is located within the boundaries of a municipality.

Sec. 212.302. ADMINISTRATIVE DETERMINATION. (a) Authorizes the governing body of a municipality to implement an expedited process to administratively determine that an undeveloped parcel of land is abandoned, unoccupied, and tax delinquent if the parcel has never been platted or surveyed or has remained undeveloped and unoccupied for 25 years or more after the date the land was platted or surveyed; if located in a subdivision, is part of a subdivision in which 50 percent or more of the parcels are undeveloped, abandoned, or unoccupied and 10 acres or less in size; has an assessed value of less than $1,000 as indicated on the most recent appraisal roll for the appraisal district in which the parcel is located; is not valued for ad valorem taxation as land for agricultural use under Subchapter C (Land Designated for Agricultural Use), Chapter 23 (Appraisal Methods and Procedures), Tax Code; has delinquent ad valorem taxes owed for the current tax year, as defined by Section 1.04 (Definitions), Tax Code; and has delinquent ad valorem taxes owed for at least 5 out of the preceding 10 tax years.

(b) Provides that the municipality does not have an ownership interest in any undeveloped parcel of land that is administratively determined to be abandoned, unoccupied, and tax delinquent or that is placed in a receivership under this subchapter, except for any existing or future legal interest established by other law.

Sec. 212.303. PUBLIC HEARING. (a) Requires a municipality, before the municipality is authorized to make an administrative determination under Section 212.302, to hold a public hearing on the matter and make reasonable efforts to notify each owner and lienholder of the parcel of land of the time and place of the hearing as provided by Section 212.304.

(b) Authorizes the hearing to be held by the governing body of the municipality or an appropriate municipal commission or board appointed by the governing body. Provides that the Texas Rules of Evidence do not apply to a hearing conducted under this section.

(c) Authorizes an owner or lienholder, at the hearing, to provide testimony and present evidence to refute any of the applicable factors for a determination under Section 212.302. Provides that it is an affirmative defense to a determination under Section 212.302 that the ad valorem taxes imposed on a parcel of land have been paid in full and no delinquent ad valorem taxes or penalties are owed on the parcel at the time of the hearing, regardless of whether the taxes or penalties were paid after the notice provided under Section 212.304.

(d) Authorizes the municipality to conduct a single hearing for multiple parcels of land and make a determination that multiple parcels of land are abandoned, unoccupied, and tax delinquent based on the same evidence.

(e) Requires the municipality, not later than the 14th day after the date of the hearing, if a parcel of land is determined to be abandoned, unoccupied, and tax delinquent, to issue a resolution of its determination.

(f) Requires the municipality, not later than the 14th day after the date of the resolution, to:

(1) post notice of the resolution at the city hall; and

(2) publish in a newspaper of general circulation in the municipality in which the parcel of land is located a notice of the determination containing certain information.

(g) Authorizes the municipality, in lieu of the notice required by Subsection (f), to post the information required by Subsection (f)(2) on the municipality's Internet website and publish a notice in a newspaper of general circulation in the municipality in which the parcel of land is located stating that the governing body of the municipality has adopted a resolution under this subchapter and the information required by Subsection (f)(2) may be found on the municipality's Internet website.

Sec. 212.304. NOTICE OF HEARING. (a) Requires the municipality to:

(1) provide notice of the hearing to each record owner of the applicable parcel of land, each person who paid the ad valorem taxes imposed on the parcel of land during the 15 most recent tax years, and each holder of a

recorded lien against the applicable parcel of land by certain methods of delivery;

(2) publish notice of the hearing in a newspaper of general circulation in the municipality and on the municipality's Internet website on or before the 10th day before the date of the hearing; and

(3) file in the property records of the county in which the parcel of land is located notice of the hearing that contains the name and last known address of the owner of the applicable parcel of land and a description of the administrative determination proceeding, including notice that the administrative determination may result in the extinguishment of any and all rights and legal interests in the parcel of land.

(b) Requires that notice under Subsection (a)(1) be provided to each owner, each person who paid the ad valorem taxes imposed on the parcel of land during the 15 most recent tax years, and each lienholder for whom an address can be reasonably ascertained from the deed of trust or other applicable instrument on file in the office of the county clerk for the county in which the parcel of land is located, in the records of the county tax office for the county in which the parcel of land is located, or in the records of the office of the central appraisal district for the county in which the parcel of land is located. Requires that the filed notice under Subsection (a)(3) contain the name and address of each owner to the extent that that information can be reasonably ascertained from the deed of trust or other applicable instrument on file in the office of the county clerk, in the records of the county tax office, or in the records of the office of the central appraisal district for the county.

(c) Provides that the filing of notice under Subsection (a)(3) is binding on subsequent grantees, lienholders, or other transferees of an interest in the parcel of land who acquire that interest after the filing of the notice and constitutes notice of the proceeding on any subsequent recipient of any interest in the parcel of land who acquires that interest after the filing of the notice.

(d) Provides that an owner or lienholder is presumed to have received actual and constructive notice of the hearing if the municipality complies with this section, regardless of whether the municipality receives a response from the person.

Sec. 212.305. JUDICIAL REVIEW. (a) Authorizes any owner or lienholder of record of a parcel of land aggrieved by a resolution issued under Section 212.303 to file in a district court in the county in which the parcel of land is located a verified petition alleging that the decision is illegal, wholly or partly, and stating with specificity the grounds of the alleged illegality. Requires that the petition be filed by an owner, owner's agent, or lienholder of the parcel of land within 60 calendar days of the resolution. Requires that the resolution, if a petition is not filed within 60 calendar days of the resolution, become final.

(b) Authorizes the court, on the filing of a petition under Subsection (a), to issue a writ of certiorari directed to the municipality to review the resolution of the municipality and is required to prescribe in the writ the time within which a return on the writ must be made and served on the relator or the relator's attorney.

(c) Provides that the municipality is not required to return the original papers acted on by it, but it is sufficient for the municipality to return certified or sworn copies of the papers or parts of the papers as may be called for by the writ.

(d) Requires that appeal of the municipality's determination under this subchapter be conducted under the substantial evidence rule.

Sec. 212.306. CIVIL ACTION FOR RECEIVERSHIP. (a) Requires the municipality, after a final determination that an undeveloped parcel of land is abandoned, unoccupied, and tax delinquent, to bring a civil action to have the parcel placed in a receivership. Provides that, on a final determination that an undeveloped parcel of land is abandoned, unoccupied, and tax delinquent as provided by this subchapter, an owner's or lienholder's rights and legal interests are extinguished, subject to the provisions of this subchapter regarding any net proceeds resulting from the disposition of the property, and transferred to the receiver.

(b) Provides that the only allegations required to be pleaded in an action for receivership brought under this section are the identification of the applicable parcel of land, the relationship of the defendant to the real property, the notice of the administrative hearing given to the owner, and the administrative determination that the parcel of land is abandoned, unoccupied, and tax delinquent.

(c) Authorizes the court to appoint as receiver any person with a demonstrated record of knowledge of the problems created by undeveloped parcels of land described by this section. Authorizes the court, in selecting a receiver, to also take into consideration whether the person owns property in the affected area. Prohibits the court from appointing as a receiver the municipality, an official or employee of the municipality, a relative of an official or employee of the municipality within the third degree of consanguinity or affinity, or a person who may directly benefit from an administrative action taken as a receiver.

(d) Provides that, in a civil action under this subchapter, the record owners and any lienholders of record of the land subject to the action are required to be served with personal notice of the proceedings as provided by the Texas Rules of Civil Procedure. Provides that service on the record owners or lienholders constitutes notice to all unrecorded owners or lienholders.

Sec. 212.307. AUTHORITY AND DUTY OF RECEIVER. (a) Provides that, unless inconsistent with this chapter or other law, the rules of equity govern all matters relating to the appointment, powers, duties, and liabilities of a receiver and to the powers of a court regarding a receiver. Authorizes a receiver appointed by the court to perform certain actions.

(b) Requires a person, before the person assumes the duties of a receiver, to be sworn to perform the duties faithfully.

(c) Provides that the appointed receiver is an officer of the court.

(d) Requires the court, if a receiver dies, resigns, or becomes incapacitated, to appoint a receiver to succeed the former receiver.

(e) Provides that, if the donation of a parcel of land to the receiver is not challenged before the first anniversary of the donation date, the donation is final and not revocable under any other legal proceeding.

(f) Authorizes a parcel of land under the control of a receiver appointed under this subchapter to be redeemed by the record owner or the owner's agent during the 12 months following the appointment of the receiver by paying all current and delinquent ad valorem taxes owed and the proportional cost of notice and administrative fees, if applicable.

(g) Requires that all funds that come into the hands of the receiver be deposited in a place in this state directed by the court. Requires that the receiver's use of the funds in connection with the receiver's duties or authority under this subchapter be subject to the approval of the court. Requires that all net proceeds from the disposition of a parcel of land by the receiver be placed in trust and remain in trust for at least three years, unless claimed before the expiration of the trust period. Requires the court to order additional notices to an owner or lienholder about the net proceeds as are practicable during the trust period and, on expiration of the trust period, any money remaining in the receivership is required to escheat to the state. Provides that funds escheated to the state under this subchapter are subject to disposition or recovery under Subchapters C (Disposition of Escheated Property) and D (Recovery of Escheated Property), Chapter 71 (Escheat of Property), Property Code.

(h) Requires the receiver, after the receiver has improved the parcel of land to the degree that the parcel is developable and meets all applicable standards, or before petitioning the court for termination of the receivership, to file with the court:

(1) a summary and accounting of all costs and expenses incurred, which may, at the receiver's discretion, include a receivership fee of up to 15 percent of the costs and expenses incurred, unless the court, for good cause shown, authorizes a different limit;

(2) a statement describing the disposition of each parcel of land, including whether the parcel was aggregated with other parcels;

(3) a statement of all revenues collected by the receiver in connection with the use or disposition of the parcels of land; and

(4) to the extent required by the court, a description of any undivided interest of an owner or lienholder, whether identified or not, in the net proceeds from the disposition of the property.

(i) Requires the court to approve any sale of the property by the receiver.

(j) Requires a receiver to have a lien on the property under receivership for all of the receiver's unreimbursed costs and expenses and any receivership fee as detailed in the summary and accounting under Subsection (h)(1).

Sec. 212.308. SALE OF PROPERTY. (a) Requires that a sale under this subchapter be made by public auction, sealed bid, or sealed proposal.

(b) Provides that, before a sale is authorized to take place under this subchapter, the receiver is required to publish notice of the proposed sale before the 60th day before the date the sale is to be held and again before the 30th day before the date the sale is to be held. Requires that the notice be published in English and Spanish in a newspaper of general circulation in the municipality in which the real property is located. Requires that the notice meet certain criteria.

(c) Requires the receiver, in addition to the notice required by Subsection (b), to maximize the price at which the property is sold and the number of bidders, to exercise best efforts to provide notice of the proposed sale to those persons who may have the business expertise, financial capability, and interest in developing the property, including local, state, and national trade associations whose members are development, real estate, or financial professionals.

(d) Requires that fee simple title, on the closing of a sale of property under this subchapter, be vested in the purchaser.

(e) Authorizes the receiver to reject any and all offers. Authorizes the receiver, if the receiver rejects all offers, to subsequently reoffer the same property for sale, reorganize the property and offer the property for sale, or combine all or part of the property with other property and offer the combined property for sale.

(f) Provides that, if the procedures in this section are followed and a sale occurs, the sale price obtained for the property is conclusive as to the fair market value of the property at the time of the sale.

SECTION 2. Effective date: September 1, 2025.