

BILL ANALYSIS

Senate Research Center
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S.B. 1882
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Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

A municipality has the power to institute a moratorium on property development affecting residential property and commercial property. Before imposing a moratorium on property development, the municipality must follow certain procedural requirements. These requirements include publishing notice and holding public hearings. A temporary moratorium, however, takes effect five days after the municipality publishes the initial notice of the moratorium.

Current law distinguishes residential and commercial moratoriums. A residential moratorium expires after 120 days unless the municipality extends it. Extensions for residential moratoriums, unlike extensions for commercial moratoriums, are not limited by an aggregate number of days and do not require written findings summarizing how the problem causing the moratorium will be resolved during the extension. Commercial moratoriums expire after 90 days. Extensions of commercial moratoriums are limited to an aggregate of 180 days and must include written findings summarizing how the problem causing the moratorium will be resolved during an extension. A simple majority vote is needed for the moratorium ordinance to pass.

Under current law, additional and different procedural requirements exist for moratoriums imposed on commercial property. This loophole denies landowners due process and transparency regarding moratoriums imposed on residential property. Additional transparency and notice requirements are needed to prevent municipalities from unfairly imposing moratoriums on property developments. The use of residential moratoriums, like commercial moratoriums, should be limited in duration and justified before being imposed or renewed.

As proposed, S.B. 1882 amends current law by adding additional transparency, notice, and approval requirements. S.B. 1882 provides the fairness and due process to residential developers that currently exists for commercial developers. S.B. 1882 requires municipalities to send notice of the moratorium to certain interested parties hearing via certified mail.

S.B. 1882 removes the imposition of the temporary moratorium. S.B. 1882 adds a provision that requires the two public readings of the proposed moratorium ordinance to be 28 days apart and requires both public readings take place before the governing body of the municipality.

S.B. 1882 makes the moratorium duration 90 days for commercial and residential moratoriums and imposes an aggregate of 180 day maximum moratorium. S.B. 1882 increases the voting threshold to two-thirds passage for adopting a moratorium.

S.B. 1882 ends the distinction between residential and commercial moratoriums, increases accountability by requiring justification before extending moratoriums, and prevents indefinite delays on residential projects, helping address housing shortages.

As proposed, S.B. 1882 amends current law relating to the imposition by a municipality of a moratorium on property development in certain circumstances.

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 Sections 212.134(b), (c), and (f), Local Government Code, as follows:

(b) Requires a municipality, not later than the 30th day, rather than on the fourth day, before the date of a hearing on a moratorium on property development, to:

(1) creates this subdivision from existing text and makes nonsubstantive changes; and

(2) send notice of the hearing by certified mail to any person who has given written notice by certified or registered mail to the municipal secretary requesting notice of the hearing within two years preceding the date of adoption of the ordinance or resolution setting the public hearing.

(c) Requires the governing body of a municipality to hold two public hearings on a moratorium on property development proposed to be adopted under Subchapter E (Moratorium on Property Development in Certain Circumstances). Prohibits the governing body from holding the second public hearing before the 30th day after the date of the first public hearing. Deletes existing text providing that, beginning on the fifth business day after the date a notice is published under Subsection (b), a temporary moratorium take effect. Deletes existing text authorizing a municipality, during the period of the temporary moratorium, to stop accepting permits, authorizations, and approvals necessary for the subdivision of, site planning of, or construction on real property.

(f) Requires the governing body of the municipality, not later than the 12th day after the date of the second public hearing, rather than within 12 days after the date of the first public hearing, to begin, rather than to make, a final determination on the imposition of a moratorium by giving the ordinance imposing the moratorium at least two readings that are not less than 28 days apart. Requires that the ordinance receive the affirmative vote of at least two-thirds of all members of the governing body on final reading in order to take effect. Prohibits the municipality, if the governing body fails to adopt an ordinance imposing a moratorium within the period prescribed by this subsection, from adopting the ordinance. Deletes existing text requiring that an ordinance, before the ordinance adopting a moratorium may be imposed, be given at least two readings by the governing body of the municipality. Deletes existing text requiring that the reading be separated by at least four days. Deletes existing text providing that, if the municipality fails to adopt an ordinance imposing a moratorium within the period prescribed by this subsection. Makes a nonsubstantive change.

SECTION 2. Amends Section 212.1362, Local Government Code, as follows:

Sec. 212.1362. New heading: EXPIRATION OF MORATORIUM; EXTENSION. (a) Provides that a moratorium adopted under this subchapter, rather than a moratorium on commercial property adopted under Section 212.1352 (Justification for Commercial Moratorium in Certain Circumstances; Written Findings Required), expires on the 90th day after the date the moratorium is adopted unless the governing body of the municipality extends the moratorium by taking certain actions.

(b) Prohibits a municipality from adopting a moratorium under this subchapter under certain circumstances, rather than from adopting a moratorium on commercial property under Section 212.1352 under certain circumstances. Makes conforming and nonsubstantive changes.

SECTION 3. Repealers: Sections 212.134(d) (relating to requiring that one public hearing be held before the governing body of the municipality) and (e) (relating to requiring that two public hearings separated by at least four days be held before the governing body of the municipality).

Repealer: Section 212.136 (Expiration of Moratorium; Extension).

SECTION 4. Effective date: September 1, 2025.