

BILL ANALYSIS

Senate Research Center
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S.B. 554
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State Affairs
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2011, the Texas Legislature passed S.B. 18 (82R), which reestablished and protected the rights of private property owners by allowing a property owner to repurchase land acquired through eminent domain if within 10 years the property is not used for the stated public use. However, the law prohibits a private property owner from repurchasing the land if the entity has made "actual progress" towards the public use. Unfortunately, the definition of "actual progress" has proven to be unnecessarily broad and can be easily satisfied without establishing true progress.

S.B. 554 strengthens private property rights by increasing the requirement for how an entity demonstrates that it has made actual progress towards its stated public use.

S.B. 554 (Must Complete 2/7)

1. Performance of significant labor on the property;
2. purchase of materials for development;
3. procurement of the services of an architect, engineer, or surveyor in preparation for development;
4. application for state or federal funds for development;
5. application for a state or federal permit needed for development;
6. acquisition of a parcel of land next to the land in question; or
7. a vote by the governmental entity's governing body in an open meeting stating that it will only complete one of the foregoing actions.

S.B. 554 (Must Complete 3/5)

1. Performance of significant labor on the property;
2. purchase of materials for development;
3. procurement of the services of an architect, engineer, or surveyor in preparation for development;
4. application for state or federal funds for development; or
5. application for a state or federal permit needed for development.

Port Authorities and Navigation Districts:

The completion of an action above and a vote by the governmental entity's governing body in an open meeting stating that it will only complete one of the foregoing actions within 10 years.

As proposed, S.B. 554 amends current law relating to establishing actual progress for the purposes of determining the right to repurchase real property from a condemning entity.

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, Property Code, by amending Subsection (b) and adding Subsection (b-1), as follows:

(b) Increases from two to three the minimum number of certain completed actions needed to meet the definition of "actual progress."

(1)–(3) Makes no changes to these subdivisions.

(4)–(5) Makes nonsubstantive changes to these subdivisions.

(6) Deletes existing text of this subdivision relating to the acquisition of a tract or parcel of real property adjacent to the property for the same public use project for which the owner's property was acquired.

(7) Deletes existing designation of this subdivision and transfers existing text to Subsection (b-1)(2).

(b-1) Authorizes a navigation district or port authority, notwithstanding Subsection (b), to establish actual progress for purposes of this section by:

(1) the completion of one action described by Subsection (b); and

(2) the adoption by a majority of the entity's governing body at a public hearing of a development plan for a public use project that indicates that the entity will not complete more than one action described by Subsection (b), rather than by Subdivisions (1)–(6), before the 10th anniversary of the date of acquisition of the property.

SECTION 2. Makes application of Section 21.101 (Right of Repurchase), Property Code, as amended by this Act, prospective.

SECTION 3. Effective date: September 1, 2019.