

AN ACT

relating to the notice and compensation a municipality must provide before revoking the right to use property for a use that was allowed before the adoption of or change to a zoning regulation or boundary.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 211.006, Local Government Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) In addition to any notice required by this section or Section 211.007, the governing body of a municipality or a zoning commission, as applicable, shall provide written notice of each public hearing regarding any proposed adoption of or change to a zoning regulation or boundary under which a current conforming use of a property is a nonconforming use if the regulation or boundary is adopted or changed. The notice must:

(1) be mailed by United States mail to each owner of real or business personal property where the proposed nonconforming use is located as indicated by the most recently approved municipal tax roll and each occupant of the property not later than the 10th day before the hearing date;

(2) contain the time and place of the hearing; and

(3) include the following text in bold 14-point type or

larger:

"THE [MUNICIPALITY NAME] IS HOLDING A HEARING THAT  
WILL DETERMINE WHETHER YOU MAY LOSE THE RIGHT TO CONTINUE  
USING YOUR PROPERTY FOR ITS CURRENT USE. PLEASE READ  
THIS NOTICE CAREFULLY."

SECTION 2. Subchapter A, Chapter 211, Local Government Code,  
is amended by adding Section 211.019 to read as follows:

Sec. 211.019. NONCONFORMING LAND USE. (a) In this section,  
"market value" means the price the sale of the property would bring  
in an arms-length transaction when offered for sale by one who  
wishes, but is not obliged, to sell and when bought by one who is  
under no necessity of buying it.

(b) A person using a property in a manner considered to be  
a nonconforming use as a result of the adoption of or change to a  
zoning regulation or boundary may continue to use the property in  
the same manner unless required by a municipality to stop the  
nonconforming use of the property.

(c) A requirement imposed by a municipality to stop a  
nonconforming use of a property under this section includes:

(1) an official action by the governing body of the  
municipality or a board, commission, department, or official of  
the municipality; or

(2) a determination by the municipality that a

nonconforming use has an adverse effect or other necessary determination that a municipality must make before imposing a requirement to stop a nonconforming use under applicable law.

(d) If a municipality requires a property owner or lessee to stop the nonconforming use of a property as described by Subsection (b), the owner or lessee of the property is entitled to:

(1) payment from the municipality in an amount equal to the sum of:

(A) the costs incurred by the owner or lessee of the property that are directly attributable to ceasing the nonconforming use of the property, including expenses related to demolition, relocation, termination of a lease, or discharge of a mortgage; and

(B) an amount equal to the greater of, as determined by the municipality, the diminution in the market value of the property, computed by subtracting the current market value of the property after the imposition of a requirement to stop the nonconforming use of the property from:

(i) the market value of the property on the day before the date the notice was given under Section 211.006(a-1); or

(ii) the market value of the property on the day before a person submits an application or request to the municipality to require or the municipality otherwise requires a

person to stop using the property in a manner that is a nonconforming use as described by Subsection (b); or

(2) continued nonconforming use of the property until the owner or lessee recovers the amount determined under Subdivision (1) through the owner or lessee's continued business activities according to generally accepted accounting principles.

(e) Not later than the 10th day after the date a municipality imposes a requirement to stop a nonconforming use of a property under this section, the municipality shall give written notice to each owner or lessee of the property, as indicated by the most recently approved municipal tax roll, who is required to stop a nonconforming use of the property of the requirement and of the remedies which an owner or lessee of the property is entitled to under Subsection (d).

(f) The owner or lessee of a property that is subject to a requirement to stop a nonconforming use of the property under this section shall not later than the 30th day after the date the municipality gives the notice required by Subsection (e) respond in writing to the municipality indicating the remedy under Subsection (d) chosen by the owner or lessee. In the event of a conflict in the choice of remedy by the owner and a lessee of the property, the owner's choice of remedy shall control. In the event of a conflict in the choice of remedy by the owners of a property that has more than one owner, the choice of remedy made by an owner

or owners holding the greater ownership interest in the property shall control. If the municipality does not receive timely notice from an owner or lessee, the municipality may choose the remedy provided under this section.

(g) A person receiving a payment under Subsection (d)(1) must stop the nonconforming use not later than the 10th day after the date of the payment.

(h) A person who continues the nonconforming use under Subsection (d)(2) must stop the nonconforming use immediately on the recovery of the amount determined under Subsection (d)(1).

(i) If more than one person seeks a payment from the municipality under Subsection (d)(1), the municipality shall apportion the payment between each person based on the market value of the person's interest in the property. A person may appeal the apportionment in the manner provided by this section.

(j) A person entitled to a remedy under this section may appeal a determination under Subsection (d)(1) or (2) to the board of adjustment of the municipality not later than the 20th day after the date the determination is made. At the hearing before the board of adjustment, the municipality has the burden of proof to establish the correctness of its determination.

(k) A municipality or a person aggrieved by the final decision of the board of adjustment under Subsection (j) may seek judicial review of the decision by filing suit as provided by

Section 211.011 not later than the 20th day after the date the final decision is made. The court shall review the decision in the manner provided by Section 211.011 except that:

(1) the municipality has the burden of proving by clear and convincing evidence that its determination was correct; and

(2) the court:

(A) in reviewing the municipality's decision may not use a deferential standard in the municipality's favor; and

(B) is not limited to determining whether a decision of the board meets the requirements of this chapter or other applicable law.

(1) A person seeking to continue a nonconforming use under Subsection (d)(2) who appeals the decision of the municipality or board of adjustment may continue to use the property in the same manner pending the appeal unless an official of the body that made the decision shows cause to stay the nonconforming use by certifying in writing to the board of adjustment or court with jurisdiction over the appeal facts supporting the official's opinion that continued nonconforming use of the property would cause imminent peril to life or property. On a showing of cause the board of adjustment or court with jurisdiction over the appeal may, after notice to the official, grant a restraining order to stay continued nonconforming use of the property.

(m) If the board of adjustment or court with jurisdiction

over an appeal determines that an owner or lessee is entitled to:

(1) a payment under this section in an amount different than the amount determined by the municipality under Subsection (d)(1), the board of adjustment or court shall order, as applicable:

(A) additional payment to the owner or lessee; or

(B) the owner or lessee to reimburse the municipality; or

(2) an amount of time to operate the nonconforming use that is different than the amount of time initially received under Subsection (d)(2), the board of adjustment or court shall order the municipality to allow an owner or lessee to continue the nonconforming use for additional or less time.

(n) An owner or lessee may waive the rights and remedies provided by this section by providing to the municipality a written waiver.

(o) This section does not apply to a nonconforming use that has been intentionally abandoned for at least six months.

(p) A municipality's immunity from suit and governmental immunity from liability are waived for purposes of an action brought by a property owner or lessee to enforce the rights and remedies under this section.

SECTION 3. (a) Section 211.006, Local Government Code, as amended by this Act, and Section 211.019, Local Government Code,

as added by this Act, apply to a property for which:

(1) on or after June 1, 2023, the governing body or zoning commission of a municipality considers a proposed adoption of or change to a zoning regulation or boundary under which a current conforming use of the property is a nonconforming use; or

(2) on or after February 1, 2023, the governing body or a board, commission, department, or official of a municipality requires, by ordinance or otherwise, or receives an application or request to require a person to stop nonconforming use of the property due to its nonconformity with the property's current zoning.

(b) Subsection (a)(2) of this section applies to a property regardless of whether the governing body or a board, commission, department, or official of the municipality is required by applicable law to make a determination that the nonconforming use has an adverse effect or other determination before the nonconforming use is required to stop.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.



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President of the Senate

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Speaker of the House

I hereby certify that S.B. No. 929 passed the Senate on April 20, 2023, by the following vote: Yeas 30, Nays 1.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 929 passed the House on May 4, 2023, by the following vote: Yeas 136, Nays 8, one present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor