

1-1 By: Blanco S.B. No. 1579  
1-2 (In the Senate - Filed February 24, 2025; March 10, 2025,  
1-3 read first time and referred to Committee on Local Government;  
1-4 April 14, 2025, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 5, Nays 0; April 14, 2025,  
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Bettencourt	X			
1-10	Middleton	X			
1-11	Cook	X			
1-12	Gutierrez			X	
1-13	Nichols			X	
1-14	Paxton	X			
1-15	West	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1579 By: West

1-17 A BILL TO BE ENTITLED  
1-18 AN ACT

1-19 relating to the appointment of a receiver for and sale of certain  
1-20 parcels of land that are abandoned, unoccupied, and undeveloped in  
1-21 certain municipalities.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-23 SECTION 1. Chapter 212, Local Government Code, is amended  
1-24 by adding Subchapter I to read as follows:

1-25 SUBCHAPTER I. ABANDONED, UNOCCUPIED, AND UNDEVELOPED  
1-26 PARCELS IN CERTAIN MUNICIPALITIES

1-27 Sec. 212.301. APPLICABILITY. (a) This subchapter applies  
1-28 to a municipality that is located in a county that:

1-29 (1) contains a municipality with a population of more  
1-30 than 500,000; and

1-31 (2) is adjacent to an international border.

1-32 (b) This subchapter applies only to land that is located  
1-33 within the boundaries of a municipality.

1-34 Sec. 212.302. ADMINISTRATIVE DETERMINATION. (a) The  
1-35 governing body of a municipality may implement an expedited process  
1-36 to administratively determine that an undeveloped parcel of land is  
1-37 abandoned and unoccupied if the parcel:

1-38 (1) has never been platted or surveyed or has remained  
1-39 undeveloped for 25 years or more after the date the land was platted  
1-40 or surveyed;

1-41 (2) if located in a subdivision, is part of a  
1-42 subdivision in which 50 percent or more of the parcels are:

1-43 (A) undeveloped or unoccupied; and

1-44 (B) 10 acres or less in size;

1-45 (3) has an assessed value of less than \$1,000 as  
1-46 indicated on the most recent appraisal roll for the appraisal  
1-47 district in which the parcel is located; and

1-48 (4) is not valued for ad valorem taxation as land for  
1-49 agricultural use under Subchapter C, Chapter 23, Tax Code.

1-50 (b) The municipality does not have an ownership interest in  
1-51 any undeveloped parcel of land that is administratively determined  
1-52 to be abandoned and unoccupied or that is placed in a receivership  
1-53 under this subchapter, except for any existing or future legal  
1-54 interest established by other law.

1-55 Sec. 212.303. PUBLIC HEARING. (a) Before a municipality  
1-56 may make an administrative determination under Section 212.302, the  
1-57 municipality must:

1-58 (1) hold a public hearing on the matter; and

1-59 (2) make reasonable efforts to notify each owner and  
1-60 lienholder of the parcel of land of the time and place of the

hearing as provided by Section 212.304.

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

(c) At the hearing, an owner or lienholder may provide testimony and present evidence to refute any of the applicable factors for a determination under Section 212.302. 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 for each year that the taxing authority issued a tax invoice.

(d) The municipality may conduct a single hearing for multiple parcels of land and make a determination that multiple parcels of land are abandoned and unoccupied based on the same evidence.

(e) Not later than the 14th day after the date of the hearing, if an undeveloped parcel of land is determined to be abandoned and unoccupied, the municipality shall issue a resolution of its determination.

(f) Not later than the 14th day after the date of the resolution, the municipality shall:

(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:

(A) a description of the parcel;  
(B) the date of the hearing;  
(C) a brief statement of the results of the resolution;

(D) instructions stating where a complete copy of the resolution may be obtained; and

(E) notice that the resolution is appealable to a district court in the county within 60 calendar days of the resolution.

(g) In lieu of the notice required by Subsection (f), the municipality may:

(1) post the information required by Subsection (f)(2) on the municipality's Internet website; and

(2) publish a notice in a newspaper of general circulation in the municipality in which the parcel of land is located stating that:

(A) the governing body of the municipality has adopted a resolution under this subchapter; and

(B) the information required by Subsection (f)(2) may be found on the municipality's Internet website.

Sec. 212.304. NOTICE OF HEARING. (a) The municipality shall:

(1) provide notice of the hearing to each record owner of the applicable parcel of land and to each holder of a recorded lien against the applicable parcel of land by:

(A) personal delivery;  
(B) certified mail with return receipt requested to the last known address of each owner and lienholder; or

(C) delivery to the last known address of each owner and lienholder by the United States Postal Service using signature confirmation services;

(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:

(A) the name and last known address of the owner of the applicable parcel of land; and

(B) 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) Notice under Subsection (a)(1) must be provided to each

owner and 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 or in the records of the office of the central appraisal district for the county in which the parcel of land is located. The filed notice under Subsection (a)(3) must 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 or in the records of the office of the central appraisal district for the county.

(c) The filing of notice under Subsection (a)(3):

(1) 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

(2) 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) 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) Any owner or lienholder of record of a parcel of land aggrieved by a resolution issued under Section 212.303 may 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. The petition must be filed by an owner or lienholder of the parcel of land within 60 calendar days of the resolution. If a petition is not filed within 60 calendar days of the resolution, the resolution shall become final.

(b) On the filing of a petition under Subsection (a), the court may issue a writ of certiorari directed to the municipality to review the resolution of the municipality and shall 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) 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) Appeal of the municipality's determination under this subchapter shall be conducted under the substantial evidence rule.

Sec. 212.306. CIVIL ACTION FOR RECEIVERSHIP. (a) After a final determination that an undeveloped parcel of land is abandoned and unoccupied, the municipality shall bring a civil action to have the parcel placed in a receivership. On a final determination that an undeveloped parcel of land is abandoned and unoccupied 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) The only allegations required to be pleaded in an action for receivership brought under this section are:

(1) the identification of the applicable parcel of land;

(2) the relationship of the defendant to the real property;

(3) the notice of the administrative hearing given to the owner; and

(4) the administrative determination that the parcel of land has been abandoned and unoccupied.

(c) The court may appoint as receiver any person with a demonstrated record of knowledge of the problems created by undeveloped parcels of land described by this section. In selecting a receiver, the court may also take into consideration whether the person owns property in the affected area. The court may not appoint the municipality, an official or employee of the municipality, or a relative of an official or employee of the municipality within the third degree of consanguinity or affinity

as a receiver.

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

Sec. 212.307. AUTHORITY AND DUTY OF RECEIVER. (a) 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. A receiver appointed by the court may:

(1) take control of the parcel of land;

(2) make or have made any repairs or improvements to the parcel of land to make it developable;

(3) make provisions for the parcel of land to be subject to street, road, drainage, utility, and other infrastructure requirements;

(4) aggregate the parcel of land with other parcels that have been similarly determined to be abandoned and unoccupied;

(5) plat or replat the parcel of land;

(6) accept the grant or donation of any parcel of land within the affected area to carry out the purpose of this subchapter; and

(7) exercise all other authority that an owner of the parcel of land could have exercised, including the authority to sell the parcel.

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

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

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

(e) 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) All funds that come into the hands of the receiver shall be deposited in a place in this state directed by the court. The receiver's use of the funds in connection with the receiver's duties or authority under this subchapter shall be subject to the approval of the court. All net proceeds from the disposition of a parcel of land by the receiver shall be placed in trust and remain in trust for at least three years, unless claimed before the expiration of the trust period. The court must 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 shall escheat to the state. Funds escheated to the state under this subchapter are subject to disposition or recovery under Subchapters C and D, Chapter 71, Property Code.

(g) 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, the receiver shall 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.

(h) The court must approve any sale of the property by the receiver.

(i) A receiver shall 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 (g)(1).

Sec. 212.308. SALE OF PROPERTY. (a) A sale under this subchapter must be made by:

(1) public auction;

(2) sealed bid; or

(3) sealed proposal.

(b) Before a sale may take place under this subchapter, the receiver must 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. The notice must be published in English and Spanish in a newspaper of general circulation in the municipality in which the real property is located. The notice must:

(1) clearly identify the property to be sold;

(2) specify the procedures and date for the public auction, sealed bid, or sealed proposal method of sale;

(3) state the minimum bid for the property, if any;

(4) state any specific financial terms of sale imposed by the receiver; and

(5) describe the restrictions, conditions, and limitations on the use of the property that the receiver has determined are appropriate, other than the restrictions, conditions, and limitations provided by other law.

(c) In addition to the notice required by Subsection (b), to maximize the price at which the property is sold and the number of bidders, the receiver shall 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) On the closing of a sale of property under this subchapter, fee simple title shall be vested in the purchaser.

(e) The receiver may reject any and all offers. If the receiver rejects all offers, the receiver may 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) 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. This Act takes effect September 1, 2025.

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