

1-1 By: Bettencourt S.B. No. 2477  
1-2 (In the Senate - Filed March 13, 2025; April 3, 2025, read  
1-3 first time and referred to Committee on Local Government;  
1-4 April 30, 2025, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 5, Nays 1; April 30, 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. 2477 By: Bettencourt

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

1-19 relating to certain municipal regulation of conversion of certain  
1-20 office buildings to mixed-use and multifamily residential  
1-21 occupancy.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-23 SECTION 1. Subtitle A, Title 7, Local Government Code, is  
1-24 amended by adding Chapter 218 to read as follows:

1-25 CHAPTER 218. REGULATION OF MIXED-USE AND MULTIFAMILY RESIDENTIAL  
1-26 USE AND DEVELOPMENT IN CERTAIN MUNICIPALITIES

1-27 SUBCHAPTER A. GENERAL PROVISIONS

1-28 Sec. 218.001. DEFINITIONS. In this chapter:

1-29 (1) "Heavy industrial use" means a storage,

1-30 processing, or manufacturing use:

1-31 (A) with processes using flammable or explosive

1-32 materials;

1-33 (B) with hazardous conditions; or

1-34 (C) that is noxious or offensive from odors,

1-35 smoke, noise, fumes, or vibrations.

1-36 (2) "Mixed-use residential," when used to describe

1-37 land use or development, means the use or development, as

1-38 applicable, of a site consisting of residential and nonresidential

1-39 uses in which the residential uses are at least 65 percent of the

1-40 total square footage of the development. The term includes the use

1-41 or development of a condominium.

1-42 (3) "Multifamily residential," when used to describe

1-43 land use or development, means the use or development, as

1-44 applicable, of a site for three or more dwelling units within one or

1-45 more buildings. The term includes the use or development of a

1-46 residential condominium.

1-47 (4) "Permit" has the meaning assigned by Section

1-48 245.001.

1-49 Sec. 218.002. APPLICABILITY OF CHAPTER. This chapter

1-50 applies only to a municipality with a population greater than

1-51 150,000 that is wholly or partly located in a county with a

1-52 population greater than 300,000.

1-53 Sec. 218.003. NO EFFECT ON OTHER RESTRICTIONS AND RULES.

1-54 This chapter does not limit:

1-55 (1) a municipality from adopting or enforcing an

1-56 ordinance, regulation, or other measure:

1-57 (A) to protect historic landmarks or include

1-58 properties within the boundaries of local historic districts; or

1-59 (B) related to the use and occupancy of a

1-60 residential property that is rented for a period not longer than 30

consecutive days; or

(2) a property owner from enforcing rules or deed restrictions imposed by a property owners' association or by other private agreement.

SUBCHAPTER B. FEES AND REGULATIONS APPLICABLE TO CONVERSION OF CERTAIN USES

Sec. 218.101. APPLICABILITY. (a) This subchapter applies only to a building or the structural components of a building that:

(1) is being used primarily for office use;

(2) is proposed to be converted from primarily office use to mixed-use residential or multifamily residential occupancy for at least 65 percent of the building and at least 65 percent of each floor of the building that is fit for occupancy; and

(3) was constructed at least five years before the proposed date to start the conversion.

(b) This subchapter does not apply to a building proposed to be converted to mixed-use residential or multifamily residential use that is located:

(1) in an area subject to a zoning classification that allows heavy industrial use; or

(2) within:

(A) 1,000 feet of an existing heavy industrial use or development site;

(B) 3,000 feet of an airport or military base; or

(C) 15,000 feet of the boundary of a military base if the area is designated by a municipality or joint airport zoning board, as applicable, as a clear zone or accident potential zone supporting military aviation operations.

Sec. 218.102. FEE WAIVER. Notwithstanding any other law, a municipality may not charge a fee in connection with the submission, review, or approval of an application for a permit related to the use, development, or construction of a building proposed to be converted to mixed-use residential or multifamily residential use, including any fee for:

(1) acquiring a building permit;

(2) the closure of a street or sidewalk adjacent to the proposed converted building; or

(3) an expedited permit review for the proposed converted building if the municipality has adopted an accelerated residential building permit review process.

Sec. 218.103. PARKLAND DEDICATION AND FEE PROHIBITED. (a) In this section, "parkland," "parkland dedication," and "parkland dedication fee" have the meanings assigned by Section 212.201.

(b) Notwithstanding Subchapter H, Chapter 212, a municipality may not require the dedication of parkland or impose a parkland dedication fee in connection with a building proposed to be converted to mixed-use residential or multifamily residential use.

Sec. 218.104. CERTAIN REGULATIONS PROHIBITED. (a) Notwithstanding any other law, a municipality may not, in connection with the use, development, construction, or occupancy of a building proposed to be converted to mixed-use residential or multifamily residential use, require:

(1) the preparation of a traffic impact analysis or other study relating to the effect the proposed converted building would have on traffic or traffic operations;

(2) the construction of improvements or payment of a fee in connection with mitigating traffic effects related to the proposed converted building;

(3) the provision of additional parking spaces, other than the parking spaces that already exist on the site of the proposed converted building;

(4) the extension, upgrade, replacement, or oversizing of a utility facility except as necessary to provide the minimum capacity needed to serve the proposed converted building;

(5) a limit on density applicable to the site of the proposed converted building that is more restrictive than the greater of:

(A) the highest residential density allowed in the municipality; or

(B) 36 units per acre;

(6) a building proposed to be converted to multifamily residential occupancy not located in an area zoned for mixed-use residential use to include nonresidential uses;

(7) a design requirement, including a requirement related to the exterior, windows, internal environment of a building, or interior space dimensions of an apartment, that is more restrictive than the applicable minimum standard under the International Building Code as adopted as a municipal commercial building code under Section 214.216;

(8) the change of a zoning district or land use classification or regulation or an approval of an amendment, exception, or variance to a zoning district or land use classification or regulation prior to allowing conversion of a building to mixed-use residential use or multifamily residential use;

(9) a floor-to-area ratio that is less than the greater of:

(A) 120 percent of the existing floor-to-area ratio of the building, if the proposed conversion does not increase the existing height or site coverage of the building; or

(B) the highest floor-to-area ratio allowed for a building on the site;

(10) a limit on impervious cover or site coverage that is less than the existing impervious cover or site coverage of the building or site; or

(11) an additional drainage, detention, or water quality requirement, if the proposed conversion does not increase the amount of impervious cover on the building site.

(b) For the purposes of Subsection (a)(8), an amendment, exception, or variance to a zoning district or land use classification or regulation includes a special exception, zoning variance, site development variance, subdivision variance, conditional use approval, special use permit, comprehensive plan amendment, or other discretionary approval to allow conversion of a building to mixed-use residential use or multifamily residential use.

Sec. 218.105. IMPACT FEE PROHIBITED. A municipality may not impose an impact fee, as defined by Section 395.001, on land where a building has been converted to mixed-use residential or multifamily residential use unless the land on which the building is located was already subject to an impact fee before a building permit related to the conversion was filed with the municipality.

Sec. 218.106. ADMINISTRATIVE APPROVAL REQUIRED. Notwithstanding any other law, if a municipal authority responsible for approving a building permit or other authorization required for the conversion of a building to mixed-use residential use or multifamily residential use determines that a proposed conversion meets municipal regulations in accordance with this subchapter, the municipal authority:

(1) shall administratively approve the permit or other authorization; and

(2) may not require further action by the governing body of the municipality for the approval to take effect.

#### SUBCHAPTER C. ENFORCEMENT

Sec. 218.201. CIVIL ACTION. (a) In this section, "housing organization" means a:

(1) trade or industry group organized under the laws of this state consisting of local members primarily engaged in the construction or management of housing units;

(2) nonprofit organization organized under the laws of this state that:

(A) provides or advocates for increased access or reduced barriers to housing; and

(B) has filed written or oral comments with the legislature; or

(3) nonprofit organization that is engaged in public

4-1 policy research, education, and outreach that includes housing  
4-2 policy-related issues and advocacy.

4-3 (b) A housing organization or other person adversely  
4-4 affected or aggrieved by a violation of this chapter may bring an  
4-5 action for declaratory or injunctive relief against a municipality.

4-6 (c) A court shall award reasonable attorney's fees and court  
4-7 costs to a prevailing claimant in an action brought under this  
4-8 section.

4-9 (d) Notwithstanding any other law, including Chapter 15,  
4-10 Civil Practice and Remedies Code, an action brought under this  
4-11 section must be brought in a county in which all or part of the real  
4-12 property that is the subject of the action is located.

4-13 (e) Notwithstanding any other law, the Fifteenth Court of  
4-14 Appeals has exclusive intermediate appellate jurisdiction over an  
4-15 action brought under this section.

4-16 SECTION 2. Section 395.011, Local Government Code, is  
4-17 amended by amending Subsection (b) and adding Subsection (b-1) to  
4-18 read as follows:

4-19 (b) Except as provided by Section 218.105 and Subsection  
4-20 (b-1), political [Political] subdivisions may enact or impose  
4-21 impact fees on land within their corporate boundaries or  
4-22 extraterritorial jurisdictions only by complying with this  
4-23 chapter.

4-24 (b-1) A political subdivision may not enact or impose an  
4-25 impact fee on land within its~~[, except that impact fees may not be~~  
4-26 ~~enacted or imposed in the~~ extraterritorial jurisdiction for  
4-27 roadway facilities.

4-28 SECTION 3. Chapter 218, Local Government Code, as added by  
4-29 this Act, applies only to a building proposed to be converted to  
4-30 mixed-use residential or multifamily residential use in which a  
4-31 building permit was submitted to a municipality on or after the  
4-32 effective date of this Act.

4-33 SECTION 4. This Act takes effect September 1, 2025.

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