

BILL ANALYSIS: SB 15

BY **John Bonura**, Texas Public Policy Foundation

MARCH 2025

ISSUE

Housing affordability is an issue top of mind for 9 out of 10 Texans (Adams et al., 2024). Median priced, newly constructed homes are out of reach for 74% of Texas families (Zhao, 2024, p. 8). Local regulations, like restrictions on minimum lot size, account for 20.4% of Texas home prices (King, 2018, para. 8). Senate Bill (SB) 15 seeks to mitigate the soaring cost of housing by prohibiting municipalities from preventing the development of small lots on which starter homes can be built. Eliminating this aspect of municipal government interference promises to help increase the supply of housing and permit market forces to better cater to prospective homebuyers.

SECTION-BY-SECTION ANALYSIS

Section 1

Amends Chapter 211, Section 1 of the Local Government Code, by adding Subchapter D entitled “Residential Zoning Limitations in Certain Municipalities”

Section 211.051 defines key terms for the bill:

“Housing Organization” is defined as a trade or industry group consisting of local members primarily engaged in construction or management of housing units as well as nonprofits that advocate for access or reduced barriers to housing, involved in the filing of written or oral comments at the legislative level, or engaged in public policy research, education, and outreach on related policy matters.

“Small Lots” are defined as residential lots equal to or smaller than 4,000 square feet.

Section 211.052 designates the municipalities to which Subchapter D applies as:

One that has a population of more than 90,000 and is located wholly or in part in a county with a population of more than 300,000.

Subsection b exempts property that is a one-mile perimeter of a campus that includes a law enforcement training center in a county that has a population between 2.6 and 2.7 million.

Section 211.053 clarifies that Subchapter D may not be construed to affect requirements directly related to:

The use and occupancy of residences leased for less than 30 days, or

flooding, sewer facilities, or well water located on an individual residential lot and serving only that lot.

Section 211.054 only applies to a tract of land that will be platted in an area zoned for single-family homes that:

Is five acres or more and has no recorded map or plat.

Section 211.054 prohibits municipalities described in 211.052 from requiring:

A minimum lot size greater than 1,400 square feet.

Width greater than 20 feet; depth greater than 60 feet,

The same municipalities are prohibited from adopting or enforcing a rule or ordinance that would result in the density of housing being less than 31.1 units per acre.

Section 211.055 prohibits municipalities from imposing various requirements related to setbacks, parking, open space, and building bulk that might hinder housing development.

Section 211.056 clarifies that this subchapter does not restrict the zoning authority of municipalities to impose requirements to mitigate stormwater runoff.

Section 211.057 clarifies that this subchapter does not prohibit property owners from enforcing rules or deed restrictions imposed by HOAs or other private agreements.

Section 211.058 creates an avenue for relief a citizen can take against a municipality in violation of this subchapter.

Section 2

Establishes that if enacted, this Act takes effect September 1, 2025.

OTHER RESOURCES

Bonura, J. (2025). *Minimum lot size reform*. Texas Public Policy Foundation. https://www.texaspolicy.com/wp-content/uploads/2025/01/2025-01-TPP-Minimum-Lot-Size-Reform-Bonura_FINAL.pdf

Bonura, J. (2024). *Unlocking affordability: the impact of lot size regulations on housing costs*. Texas Public Policy Foundation. <https://www.texaspolicy.com/wp-content/uploads/2024/01/2024-01-TPP-Impact-of-Lot-Size-Regulation-Bonura.pdf>

REFERENCES

Adams, M., Cross, R., Jones, M., & Pinto, P. (2024). *Texas housing trends 2024*. University of Houston and Texas Southern University. <https://uh.edu/hobby/txtrends/housing.pdf>

King, C. (2018). *Texas housing prices on the rise*. Texas Comptroller of Public Accounts. <https://comptroller.texas.gov/economy/fiscal-notes/archive/2018/march/housing.php>

Zhao, N. (2024). *Nearly 77% of U.S. households cannot afford a median-priced new home*. National Association of Home Builders. <https://www.nahb.org/-/media/NAHB/news-and-economics/docs/housing-economics-plus/special-studies/2024/special-study-households-cannot-afford-a-median-priced-new-home-april-2024.pdf?rev=cb6f4f7d507341cb9ece97b90b6709c3>

