

BILL ANALYSIS: HOUSE BILL 2797

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ISSUE

Texas is currently experiencing a housing shortage. According to the Texas Comptroller, “Texas was 306,000 homes short of what was needed” in 2023 ([Texas Comptroller of Public Accounts, 2024](#)). Recently, Texas A&M’s Student Government Association’s Policy Division and Department of Legislative Relations released a data set that estimates that Texas has 1.7 to 4.3 million spare bedrooms ([TAMU SGA, 2024](#)). However, under most municipal occupancy ordinances and codes, there are limits to the number of occupants a dwelling may have (if the occupants are not related). On the other hand, municipal occupancy codes and ordinances generally have no limits on related (whether by blood, marriage, or adoption) occupants. These limits on unrelated occupants hamper the ability for Texans to earn a little more cash by leasing a spare bedroom, while also keeping other Texans out of housing. House Bill 2797 ([2025](#)) aims to rectify this situation, by prohibiting municipalities from passing ordinances and rules that limit unrelated occupancy, albeit with a few exceptions for health and safety.

SECTION-BY-SECTION ANALYSIS

Section 1 of the bill amends Chapter 211, Local Government Code by the addition of Subchapter D, which starts with defining “dwelling unit” as “a house, apartment unit, or any unit in a multiunit residential structure” ([p. 1](#)). It also clarifies that a dwelling unit is not “a unit in a hotel, motel, or other establishment in which more than half of the units are intended to be used for transient accommodations” ([p. 1](#)). Section 1 then provides that this subchapter applies only to home-rule municipalities. It prohibits a municipality from either adopting or enforcing a zoning ordinance, rule, or regulation that limits the number of people who have authorization to occupy a dwelling unit, based on specific, express factors.

Section 1 then states that this bill has no effect on other zoning authorities. More clearly, it states that it does not prohibit a municipality from imposing limits on the number of people who are authorized to occupy a dwelling unit, based on health and safety standards. These specific standards are the those that originate from a building code, a fire code, the Department of State Health Services, or a local, state, or federal affordable housing program’s guidelines. Similarly, Section 1 also states that the bill does not prohibit property owners “from enforcing rules or deed restrictions imposed by either a property owners’ association or by other private agreement” ([p. 2](#)).

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Finally, Section 1 states that property owners in a municipality that violates this subchapter may bring an action against the municipality for damages resulting from the violation and for appropriate equitable relief. It waives the liability of governmental immunity of the municipality to suit, to the extent created by this section of the bill.

Section 2 states that the effective date of this bill is September 1, 2025.

REFERENCES

HB 2797. Filed. 89th Texas Legislature. Regular. (2025). <https://capitol.texas.gov/tlodocs/89R/billtext/pdf/HB02797l.pdf#navpanes=0>

Texas A&M University Student Government Association (TAMU SGA). (2024). *Texas spare bedrooms* [Data set]. https://docs.google.com/spreadsheets/d/1KSrQvQYIglyNId7VvD_mYH0P0v5oE2_Hcwen5LmjLXs/edit?gid=1297466357#gid=1297466357

Texas Comptroller of Public Accounts. (2024, August 27). *Texas Comptroller Glenn Hegar releases study on state's housing affordability challenge*. <https://comptroller.texas.gov/about/media-center/news/20240827-texas-comptroller-glenn-hegar-releases-study-on-states-housing-affordability-challenge-1724699586337>

