THE STATE OF TEXAS

LANDOWNER'S BILL OF RIGHTS

PREPARED BY THE

OFFICE OF THE
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STATE OF TEXAS LANDOWNER'S BILL OF RIGHTS

This Landowner's Bill of Rights applies to any attempt by the government or a private entity to take your property. The contents of this Bill of Rights are prescribed by the Texas Legislature in Texas Government Code Sec. 402.031 and Chapter 21 of the Texas Property Code.

1. You are entitled to receive adequate compensation if your property is taken for a public use.

2. Your property can only be taken for a public use.

3. Your property can only be taken by a governmental entity or private entity authorized by law to do so.

4. The entity that wants to take your property must notify you that it wants to take your property.

5. The entity proposing to take your property must provide you with a written appraisal from a certified appraiser detailing the adequate compensation you are owed for your property.

6. The entity proposing to take your property must make a bona fide offer to buy the property before it files a lawsuit to condemn the property – which means the condemning entity must make a good faith offer that conforms with Chapter 21 of the Texas Property Code.

7. You may hire an appraiser or other professional to determine the value of your property or to assist you in any condemnation proceeding.

8. You may hire an attorney to negotiate with the condemning entity and to represent you in any legal proceedings involving the condemnation.

9. Before your property is condemned, you are entitled to a hearing before a court appointed panel that includes three special commissioners. The special commissioners must determine the amount of compensation the condemning entity owes for the taking of your property. The commissioners must also determine what compensation, if any, you are entitled to receive for any reduction in value of your remaining property.

10. If you are unsatisfied with the compensation awarded by the special commissioners, or if you question whether the taking of your property was proper, you have the right to a trial by a judge or jury. If you are dissatisfied with the trial court's judgment, you may appeal that decision.

CONDEMNATION PROCEDURE

Eminent domain is the legal authority that certain entities are granted that allows those entities to take private property for a public use. Private property can include land and certain improvements that are on that property.

Private property may only be taken by a governmental entity or private entity that is authorized by law to do so. Your property may be taken only for a public purpose. That means it can only be taken for a purpose or use that serves the general public. Texas law prohibits condemnation authorities from taking your property to enhance tax revenues or foster economic development.

Your property cannot be taken without adequate compensation. Adequate compensation includes the market value of the property being taken. It may also include certain damages if your remaining property's market value is diminished by the acquisition itself or by the way the condemning entity will use the property.

HOW THE TAKING PROCESS BEGINS

The taking of private property by eminent domain must follow certain procedures. First, the entity that wants to condemn your property must provide you a copy of this Landowner's Bill of Rights before - or at the same time - the entity first represents to you that it possesses eminent domain authority.

Second, if it has not been previously provided, the condemning entity must send this Landowner's Bill of Rights to the last known address of the person who is listed as the property owner on the most recent tax roll. This requirement stipulates that the Landowner's Bill of Rights must be provided to the property owner at least seven days before the entity makes a final offer to acquire the property.

Third, the condemning entity must make a bona fide offer to purchase the property. The requirements for a bona fide offer are contained in Chapter 21 of the Texas Property Code. At the time a purchase offer is made, the condemning entity must disclose any appraisal reports it produced or acquired that relate specifically to the property and were prepared in the ten years preceding the date of the purchase offer. You have the right to discuss the offer with others and to either accept or reject the offer made by the condemning entity.

CONDEMNATION PROCEEDINGS

If you and the condemning entity do not agree on the value of your property, the entity may begin condemnation proceedings. Condemnation is the legal process that eligible entities utilize to take private property. It begins with a condemning entity filing a claim for your property in court. If you live in a county where part of the property being condemned is located, the claim must be filed in that county. Otherwise, the condemnation claim can be filed in any county where at least part of the property being condemned is located. The claim must describe the property being condemned, state with specificity the public use, state the name of the landowner, state that the landowner and the condemning entity were unable to agree on the value of the property, state that the condemning entity provided the landowner with the Landowner's Bill of Rights, and state that the condemning entity made a bona fide offer to acquire the property from the property owner voluntarily.

SPECIAL COMMISSIONERS' HEARING

After the condemning entity files a condemnation claim in court, the judge will appoint three local landowners to serve as special commissioners. The judge will give you a reasonable period to strike one of the special commissioners. If a commissioner is struck, the judge will appoint a replacement. These special commissioners must live in the county where the condemnation proceeding is filed, and they must take an oath to assess the amount of adequate compensation fairly, impartially, and according to the law. The special commissioners are not legally authorized to decide whether the condemnation is necessary or if the public use is proper. Their role is limited to assessing adequate compensation for you. After being appointed, the special commissioners must schedule a hearing at the earliest practical time and place. The special commissioners are also required to give you written notice of the condemnation hearing.

You are required to provide the condemning entity any appraisal reports that were used to determine your claim about adequate compensation for the condemned property. Under a new law enacted in 2011, landowners' appraisal reports must be provided to the condemning entity either ten days after the landowner receives the report or three business days before the special commissioners' hearing - whichever is earlier. You may hire an appraiser or real estate professional to help you determine the value of your private property. Additionally, you can hire an attorney to represent you during condemnation proceedings.

At the condemnation hearing, the special commissioners will consider your evidence on the value of your condemned property, the damages to remaining property, any value added to the remaining property as a result of the condemnation, and the condemning entity's proposed use of your condemned property.

SPECIAL COMMISSIONERS' AWARD

After hearing evidence from all interested parties, the special commissioners will determine the amount of money that you should be awarded to adequately compensate you for your property. The special commissioners' decision is significant to you not only because it determines the amount that qualifies as adequate compensation, but also because it impacts who pays for the cost of the condemnation proceedings. Under the Texas Property Code, if the special commissioners' award is less than or equal to the amount the condemning entity offered to pay before the proceedings began, then you may be financially responsible for the cost of the condemnation proceedings. However, if the special commissioners' award is more than the condemning entity offered to pay before the proceedings began, then the condemning entity will be responsible for the costs associated with the proceedings.

The special commissioners are required to provide the court that appointed them a written decision. That decision is called the "Award." The Award must be filed with the court and the court must send written notice of the Award to all parties. After the Award is filed, the condemning entity may take possession of the property being condemned, even if either party appeals the Award of the special commissioners. To take possession of the property, the condemning entity must either pay the amount of the Award or deposit the amount of the Award into the court's registry. You have the right to withdraw funds that are deposited into the registry of the court.

OBJECTION TO THE SPECIAL COMMISSIONERS' AWARD

If either the landowner or the condemning entity is dissatisfied with the amount of the Award, either party can formally object to the Award. In order to successfully make this valuation objection, it must be filed in writing with the court. If neither party timely objects to the special commissioners' Award, the court will adopt the Award as the final judgment of the court.

If a party timely objects to the special commissioners' Award, the court will hear the case in the same manner that other civil cases are heard. Landowners who object to the Award and ask the court to hear the matter have the right to a trial and can elect whether to have the case decided by a judge or jury. The allocation of any trial costs is decided in the same manner that costs are allocated with the special commissioners' Award. After trial, either party may appeal any judgment entered by the court.

DISMISSAL OF THE CONDEMNATION ACTION

A condemning entity may file a motion to dismiss the condemnation proceeding if it decides it no longer needs your condemned property. If the court grants the motion to dismiss, the case is over and you are entitled to recover reasonable and necessary fees for attorneys, appraisers, photographers, and for other expenses incurred to the date of the hearing on the motion to dismiss.

If you wish to challenge the condemning entity's authority to take your property, you can lodge that challenge by filing a motion to dismiss the condemnation proceeding. Such a motion to dismiss would allege that the condemning entity did not have the right to condemn your property. For example, a landowner could challenge the condemning entity's claim that it seeks to take the property for a public use. If the court grants the landowner's motion, the court may award the landowner reasonable and necessary fees for attorneys, appraisers, photographers, and for other expenses incurred to the date of the hearing or judgment.

RELOCATION COSTS

If you are displaced from your residence or place of business, you may be entitled to reimbursement for reasonable expenses incurred while moving personal property from the residence or relocating the business to a new site. However, during condemnation proceedings, reimbursement for relocation costs may not be available if those costs are separately recoverable under another law. Texas law limits the total amount of available relocation costs to the market value of the property being moved. Further, the law provides that moving costs are limited to the amount that a move would cost if it were within 50 miles.

RECLAMATION OPTIONS

If private property was condemned by a governmental entity, and the public use for which the property was acquired is canceled before that property is used for that public purpose, no actual progress is made toward the public use within ten years or the property becomes unnecessary for public use within ten years, landowners may have the right to repurchase the property for the price paid to the owner by the entity at the time the entity acquired the property through eminent domain.

DISCLAIMER

The information in this statement is intended to be a summary of the applicable portions of Texas state law as required by HB 1495, enacted by the 80th Texas Legislature, Regular Session. This statement is not legal advice and is not a substitute for legal counsel.

ADDITIONAL RESOURCES

Further information regarding the procedures, timelines and requirements outlined in this document can be found in Chapter 21 of the Texas Property Code.