

The 89th Regular Legislative Session (2025) for the state of Texas has come to an end with Governor Abbott announcing a special session to begin July 21, 2025. So far, 1,155 bills have been signed into law. Several of these new bills will impact your developments in the Lone Star State. We will examine some of these bills in a series of posts.

Texas has long boasted of its thriving economy with a low cost of living. However, recently, Texas home prices have outpaced the nation, threatening Texas' cost of living advantage. This cost increase is caused by the state's growing economy, explosive population growth (with housing demand significantly outstripping supply), and rising building costs (resulting from a shortage of skilled workers leading to higher wages). These factors are exacerbated in the larger metro areas such as Dallas, Houston and Austin.

Signed by Governor Greg Abbot on June 20, 2025, HB 15 seeks to mitigate the soaring cost of housing by prohibiting municipalities from preventing the development of small lots on which smaller, more affordable homes can be built. The hope is that this bill will increase the supply of housing by making it easier for developers to develop smaller single-family units by preventing cities from requiring large lots and density caps. SB 15 also prevents cities from imposing excessive design requirements, setbacks, height caps, parking requirements, etc.

HB 15 amends Chapter 211 of the Local Government Code by adding Subchapter D, entitled "Residential Zoning Limitations in Certain Municipalities." HB 15 applies only to tracts of land that (i) will be platted and located in an area zoned for single-family homes, (ii) are five acres or more, and (iii) have no recorded map or plat [§211.052]. If applicable, Section 211.054 prohibits municipalities from adopting or enforcing ordinances that require residential lots to be (i) larger than 3,000 square feet, (ii) wider than 30 feet, (iii) deeper than 75 feet, or (iv) requiring a density per acre that prevents a single-family home from being built on a lot that is at least 3,000 square feet.

Section 211.055, applicable to small lots (defined as a residential lot that is 4,000 square feet or less), provides that a municipality may not adopt or enforce an ordinance that requires a small lot to have (i) setbacks greater than 15 feet from the front, 10 feet from the back or five feet from the side, (ii) covered parking, (iii) more than one parking space per unit, (iv) off-site parking, (v) more than 30% open space or permeable surface, or (vi) fewer than 3 stories. Notwithstanding the prohibitions cited above, a municipality may require, with respect to a small lot, (i) setbacks related to environmental features, erosion or waterways, (ii) shared driveways, (iii) permitting fees, (iv) impact fees, and/or (vi) measures that protect an aquifer.

It should be noted the HB 15 expressly does not prohibit property owners from enforcing private agreements (such as CCRs and deed restrictions).

The act takes effect September 1, 2025.

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