



Preserving Family Legacy: Protecting Family Land from Partition

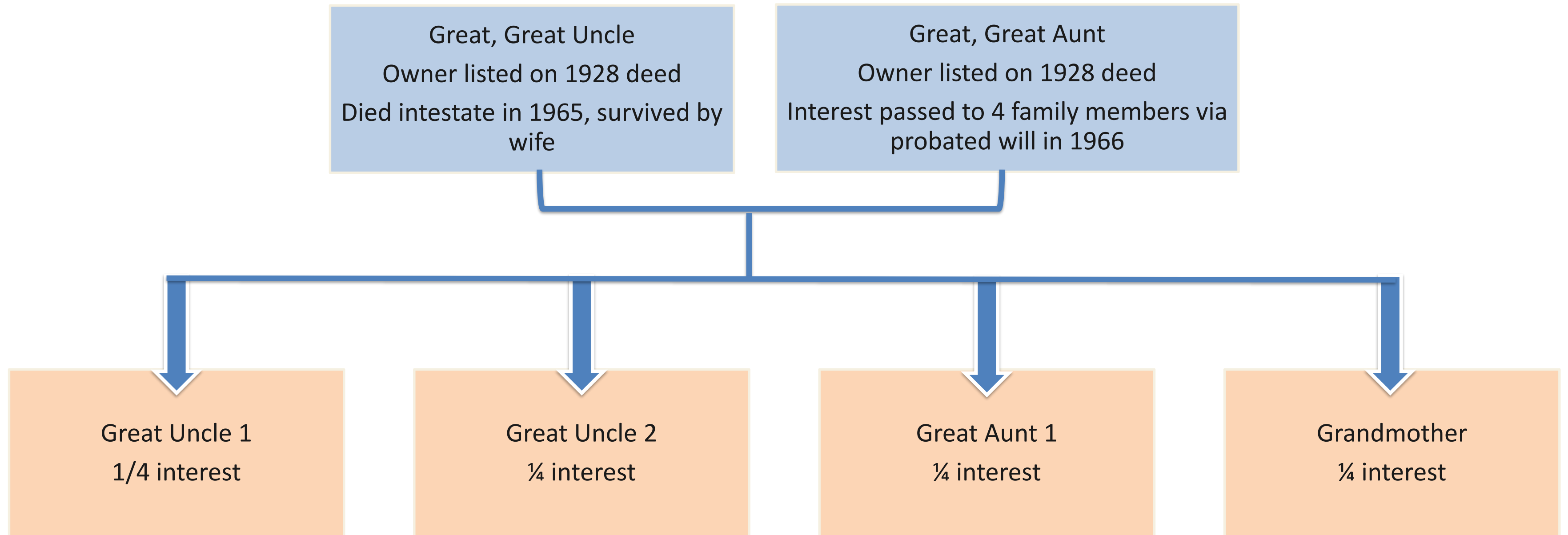
**Texas Association of CDCs
2025 Economic Development Policy
Summit**

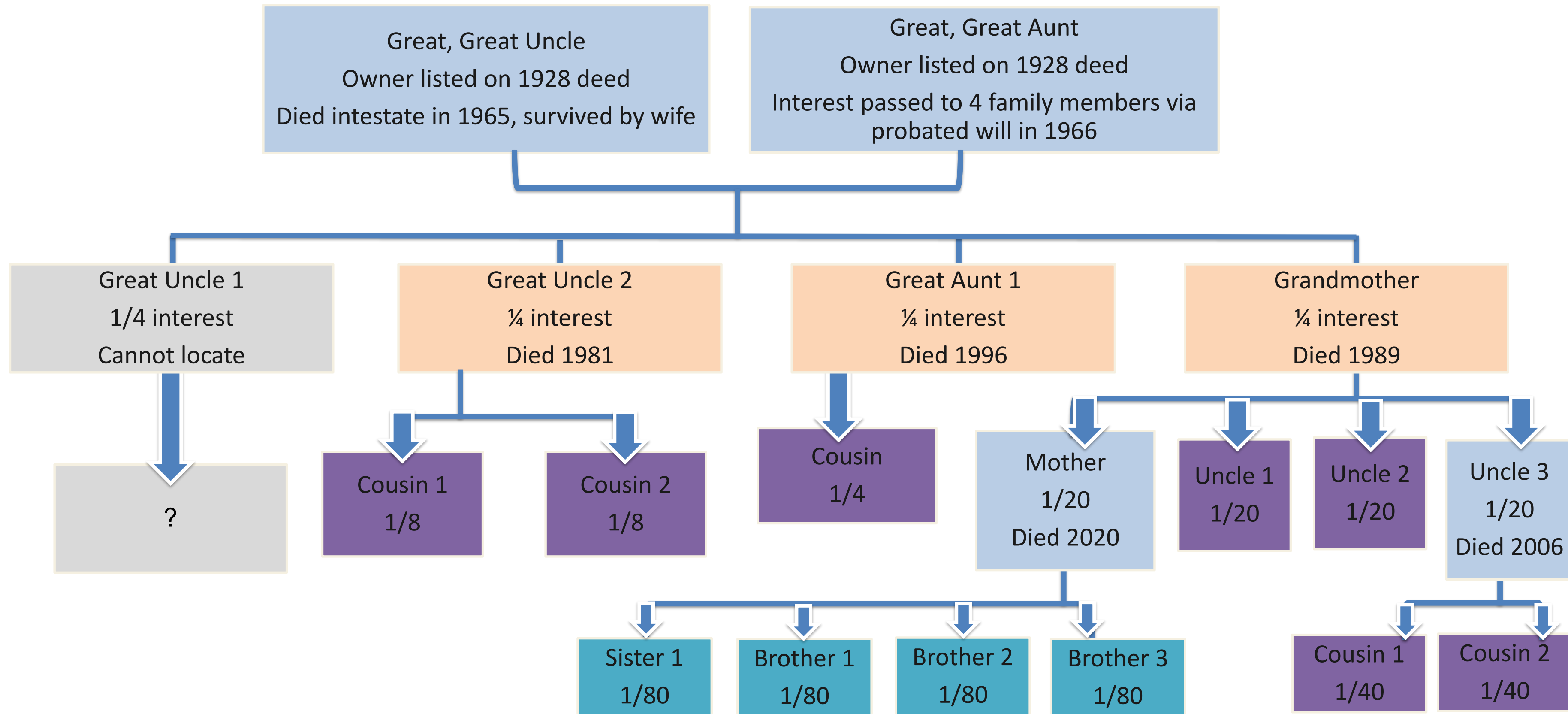
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Roadmap

1. Brief Primer and Framework
2. Partition and Ongoing Challenges
3. Uniform Partition of Heirs Property Act 201
4. Questions and Discussion

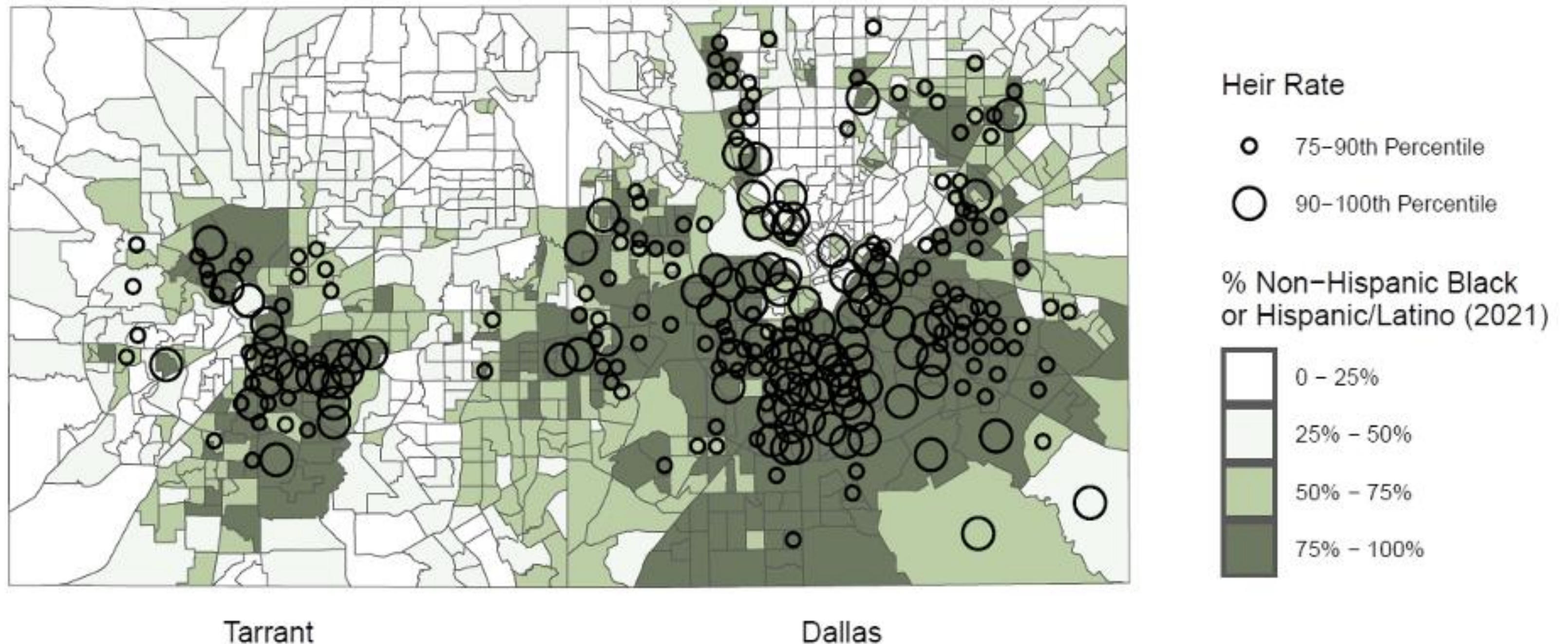




Heirs' Properties in Tarrant and Dallas Counties

→ 10,043 single-family homes = 1% of sf homes

→ \$2.2 billion assessed value





Ronald Henry has been living in the Henry family home since 1978. Photos by Josh Huskin/ ABA Journal.

Predatory land grabs through partition: San Antonio

- Mr. Henry: Lived in his home since 1978. Inherited home from parents.
- Real estate investment trust acquired distant brother's interest for far below market value.
- Investor sent Mr. Henry a demand letter for rent, then filed partition action.

© <https://www.abajournal.com/magazine/article/how-jim-crow-era-laws-still-tear-families-from-their-homes>

Black-Owned Land Is Under Siege in the Brazos Valley

Acre by acre, families have lost long-held property near Bryan and College Station—much of it to the efforts of two men who weaponized arcane documents to acquire plots potentially worth millions.

Texas Monthly article: November 2023

- In **1875**, children of a former slave, were deeded **285 acres** of land.
- Lawrence Smith, an heir, utilized and enjoyed the land **since the 1950s**.
- Investor filed a partition action and **court ordered sale of the property**. Investor **purchased property at sale**.
- Mr. Smith **received \$635** for his interest.
- **Mr. Smith lost the land that had been in his family for over 200 years.**

Fall 2024: Outreach to Understand Issues

Our team met with dozens of stakeholders to assess the scope of the problem and identify solutions

- Multiple coalitions of heirs' property owners, including representatives from East Texas Heirs' Property Initiative, 100 Ranchers of Texas, Texas Coalition of Rural Landowners, Community & Family Historical Preservation Association, International Farmers and Ranchers, National Inheritance Landowners Association
- Texas title industry leaders and other industry stakeholders
- Texas probate court officials
- Advisors for the 2017 Uniform Partition of Heirs' Property Act
- Many lawyers who have litigated heirs' property cases
- National heirs' property experts

Uniform Partition of Heirs' Property Act

Unresolved Issues

1. **Third parties are still able to purchase distant family members' interest and file a partition lawsuit.** Family members are often not notified when distant cousins sell their interests to third parties.
2. **Heirs unaware of their rights.**
3. **Lack of notice and awareness of rights in partition action.**
4. **Court confusion; timing and structural issues.**
5. **Challenges with buy out process.** Not enough time to finalize a buyout; lack of capital to buy out investor's interest.
6. **Lack of appraisal requirement.** Courts are not required to appoint an appraiser, which results in properties being sold for below market value

SB 600: Key Reforms

Due Process

- Notice
- Attorney Ad Litem

Keeping Land in the Family

- Settlement Conference
- Buyout Process
- Right of First Refusal
- Partition Limits

Ensuring Fair Market Value

- Appointment of an Appraiser
- Appointment of a Broker



KEEPING LAND IN THE FAMILY

RIGHT OF FIRST REFUSAL

Policy Objective: Help heirs preserve their family land —

- Before a third party can file a partition action against the heirs, provide heirs with a right of purchase the interest

ABILITY TO PARTITION

Policy Objective: Deter outside parties from purchasing fractional interests in family land with the intent of forcing sale of the land —

- Prohibit non-heirs from bringing a partition action for 10 years after they acquire their interest

DUE PROCESS PROTECTIONS

NOTICE

Policy Objective: Ensure all known heirs are notified of the lawsuit and their legal rights.

- Require notice of the lawsuit to the property's taxpayers and occupants
- Require due diligence to identify all the co-owners
- Require a sign to be posted on the property
- Require an Heir's Bill of Rights

ATTORNEY AD LITEM

Policy Objective: Ensure that as many heirs as possible are found by:

- Appoint an attorney ad litem in any case initiated by a non-heir
- Require a non-heir partitioner to pay the fees associated with the attorney ad litem

KEEPING LAND IN THE FAMILY

SETTLEMENT CONFERENCE

Policy Objective: Provide the co-owners with opportunities to settle the case —

- Require good faith negotiation
- Allow judge to order mediation if unsuccessful

BUYOUT

Policy Objective: Create a more accessible way for families to buy the partitioner's interest —

- Extend the buyout time to ensure families have time to secure a loan
- Deduct heirs' payment of taxes and repairs from the buyout price

Questions & Discussion