

By: Rodriguez

H.B. No. 3432

A BILL TO BE ENTITLED

AN ACT

relating to allowing the creation of homestead preservation districts to increase homeownership and provide affordable housing.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle A, Title 12, Local Government Code, is amended by adding Chapter 373A to read as follows:

SUBCHAPTER A. HOMESTEAD PRESERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 373.025. PURPOSE. The purpose of this chapter is to:

(1) Promote the ability of municipalities to increase homeownership, provide affordable housing and prevent the involuntary loss of homesteads by existing low and moderate income homeowners living in disadvantaged neighborhoods;

(2) Protect a municipality's interest in improving economic and social conditions within disadvantaged communities by enhancing the viability of homeownership among low and moderate income residents in areas experiencing economic pressures;

(3) Furnish municipalities with a means to expand and protect the homestead interests of low and moderate income families.

Sec. 373.026. DEFINITIONS. In this chapter:

(1) "Community housing development organization" has the meaning assigned by 42 U.S.C. Section 12704.

1 (2) "District" means a homestead preservation
2 district designated under this section.

3 (3) "Municipality" means the municipality which
4 designates the district.

5 (4) "Taxing unit" has the meaning assigned by Section
6 1.04 of the Tax Code.

7 [Sections 373.027-373.030 reserved for expansion]

8 SUBCHAPTER B. GENERAL POWERS AND DUTIES

9 Sec. 373.031. MUNICIPAL POWER TO DESIGNATE DISTRICT. (a)
10 To promote and expand the ownership of affordable housing and to
11 prevent the involuntary loss of homesteads by existing homeowners
12 living in the district, the governing body of a municipality by
13 ordinance may designate as a homestead preservation district an
14 area in the municipality that is eligible under Section 373.032.

15 (b) The ordinance must describe the boundaries of the
16 district and designate the powers that apply to the district under
17 this chapter.

18 Sec. 373.032. ELIGIBILITY FOR DESIGNATION. To be
19 designated as a district under this chapter, an area must be
20 composed of contiguous United States census tracts that, based on
21 the most recent decennial census, have a median family income of
22 less than 80 percent of the median family income of the entire
23 municipality.

24 Sec. 373.033. INVENTORY FROM TAXING UNITS. Each taxing
25 unit in a district shall provide the governing body of the
26 municipality on an annual basis:

27 (1) an inventory of all land owned by the taxing unit

1 in the district; and

2 (2) a list of the current and anticipated uses the
3 taxing unit has for the property.

4 [Sections 373.034-373.040 reserved for expansion]

5 SUBCHAPTER C. INCLUSIONARY ZONING

6 Sec. 373.041. DESIGNATION OF INCLUSIONARY ZONING. (a) As
7 used in this section, "inclusionary zoning" means any zoning
8 regulation, requirement or condition of development imposed by
9 ordinance, regulation or pursuant to any special permit, special
10 exception or subdivision plan which promotes the development of
11 housing affordable to persons and families of low income,
12 including, but not limited to,

13 (1) the setting aside of a reasonable number of
14 housing units for long-term retention as affordable housing through
15 deed restrictions or other means;

16 (2) the use of municipal fee waivers or density
17 bonuses; or

18 (3) in lieu of or in addition to such other
19 requirements or conditions, the making of payments to the
20 municipality to be used for constructing, rehabilitating or
21 repairing housing affordable to persons and families of low income
22 within the district.

23 (b) Notwithstanding the provisions of any special act, any
24 municipality having zoning authority may, by regulation of the body
25 exercising such zoning authority, implement inclusionary zoning
26 regulations, requirements or conditions, within a Homestead
27 Preservation District.

1 [Sections 373.042-373.046 reserved for expansion]

2 SUBCHAPTER D. HOMESTEAD LAND TRUST

3 Sec. 373.047. CREATION. The municipality may create or
4 designate one or more homestead land trusts to operate solely
5 within the district under this subchapter.

6 Sec. 373.048. NATURE OF TRUST. (a) A homestead land trust
7 must be a nonprofit organization created to acquire and hold land
8 for the benefit of developing affordable housing in the district.

9 (b) A trust must be an organization that is exempt from
10 federal income tax under Section 501(a), Internal Revenue Code of
11 1986, and its subsequent amendments, by being certified as an
12 exempt organization under Section 501(c)(3), Internal Revenue Code
13 of 1986, and its subsequent amendments.

14 Sec. 373.049. BOARD OF DIRECTORS. (a) A board of directors
15 shall govern the trust.

16 (b) The governing body of the municipality shall establish
17 the number of directors on the board. The governing body shall
18 appoint the directors so that at least 40 percent of the directors
19 are homeowners or persons eligible to be homeowners in the
20 district.

21 Sec. 373.050. TITLE TO PROPERTY. The homestead land trust
22 may retain title to the land and may sell or lease homes located on
23 the land under long-term ground leases to low-income and
24 moderate-income families at affordable rents.

25 Sec. 373.051. SALE OF HOUSES. (a) The homestead land trust
26 shall sell or lease all housing to families with a yearly income at
27 the time of purchase or lease of the house at or below 80 percent of

1 the area median family income, adjusted for family size.

2 (b) At least one-half of the housing units sold or leased by
3 the Homestead Land Trust must be sold or leased to families with a
4 yearly income at the time of purchase or lease at or below 50
5 percent of the municipality's median family income, adjusted for
6 family size.

7 Sec. 373.052. TRANSFER FROM TAXING ENTITIES; FORGIVING
8 OUTSTANDING TAXES. (a) Any taxing unit may transfer land to the
9 homestead land trust without competitive bidding.

10 (b) A taxing unit may forgive outstanding taxes and fees on
11 any property transferred under this section if otherwise allowed by
12 law.

13 Sec. 373.053. TAX EXEMPTIONS. The homestead land trust's
14 real property is exempt from taxes imposed by the state or a
15 political subdivision of the state.

16 [Sections 373.054-373.060 reserved for expansion]

17 SUBCHAPTER E. HOME OWNERSHIP TAX INCREMENT FINANCING ZONE

18 Sec. 373.061. GENERAL AUTHORITY TO CREATE A HOMESTEAD
19 PRESERVATION TAX INCREMENT FINANCING ZONE. (a) A municipality has
20 the power to create a Homeownership Preservation Tax Increment
21 Financing Zone ("zone").

22 (b) The boundaries of a zone shall run congruent with the
23 Homeownership Preservation District.

24 Sec. 373.062. DETERMINATION OF AMOUNT OF TAX INCREMENT.

25 (a) The amount of a taxing unit's tax increment for a year is the
26 amount of property taxes levied and collected by the unit for that
27 year on the captured appraised value of real property taxable by the

1 unit and located in a zone.

2 (b) The captured appraised value of real property taxable by
3 a taxing unit for a year is the total appraised value of all real
4 property taxable by the unit and located in a zone for that year
5 less the tax increment base of the unit.

6 (c) The tax increment base of a taxing unit is the total
7 appraised value of all real property taxable by the unit and located
8 in a zone for the year in which the zone was designated under this
9 chapter.

10 Sec. 373.063. COLLECTION AND DEPOSIT OF TAX INCREMENTS.

11 (a) Each taxing unit that taxes real property located in a zone
12 shall provide for the collection of its taxes in the zone as for any
13 other property taxed by the unit.

14 (b) Each taxing unit shall pay into the tax increment fund
15 for the zone an amount equal to the tax increment produced by the
16 unit.

17 (c) A taxing unit shall make a payment required by
18 Subsection (b) not later than the 90th day after the delinquency
19 date for the unit's property taxes. A delinquent payment incurs a
20 penalty of five percent of the amount delinquent and accrues
21 interest at an annual rate of 10 percent.

22 (d) A taxing unit is not required to pay into the tax
23 increment fund any of its tax increment produced from property
24 located in a district unless the taxing unit enters into an
25 agreement to do so with the governing body of the municipality that
26 created the zone. A taxing unit may enter into an agreement under
27 this subsection at any time before or after the zone is created.

1 The agreement may include conditions for payment of that tax
2 increment into the fund and must specify the portion of the tax
3 increment to be paid into the fund and the years for which that tax
4 increment is to be paid into the fund. The agreement and the
5 conditions in the agreement are binding on the taxing unit and the
6 municipality.

7 Sec. 373.064. ADMINISTRATION AND USE OF TAX INCREMENT FUND.

8 (a) The tax increment fund will be administered by the governing
9 body of the municipality. All revenue from the tax increment fund
10 must be dedicated to city-certified community housing development
11 organizations or a city-created Homestead Land Trust for the
12 development of affordable housing within the zone for low-income
13 families at or below sixty percent of the area median family income.

14 (b) All housing created with the reinvestment funds has to
15 have at least a 30-year affordability period that preserves the
16 affordability of the property for a 30-year term.

17 (c) If a Homestead Land Trust is created in the district, at
18 least 50 percent of the funds must be allocated to the Homestead
19 Land Trust for property acquisition.

20 Sec. 373.065. ANNUAL REPORT. (a) On or before the 90th day
21 following the end of the fiscal year of the municipality, the
22 governing body of a municipality shall submit to the chief
23 executive officer of each taxing unit that levies property taxes on
24 real property in a reinvestment zone created by the municipality a
25 report on the status of the zone.

26 (b) The report must include:

27 (1) the amount and source of revenue in the tax

1 increment fund established for the zone;

2 (2) the amount and purpose of expenditures from the
3 fund; and

4 (3) the tax increment base and current captured
5 appraised value retained by the municipality for the district, the
6 total amount of tax increments received, and any additional
7 information necessary to demonstrate compliance with provisions of
8 this Chapter

9 (c) The municipality shall send a copy of a report made
10 under this section to:

11 (1) the attorney general; and

12 (2) the comptroller.

13 [Sections 373.066-373.070 reserved for expansion]

14 SUBCHAPTER F. HOMEOWNER LAND BANK PROGRAM

15 Sec. 373.071. SHORT TITLE. This subchapter may be cited as
16 the Homeowner Land Bank.

17 Sec. 373.072. DEFINITIONS. In this subchapter: "Community
18 housing development organization" or "organization" means an
19 organization that:

20 (A) meets the definition of a community housing development
21 organization in 42 USC Sec. 120704; and

22 (B) is certified by the municipality as a community housing
23 development organization.

24 (2) "Land bank" means an entity established or
25 approved by the governing body of a municipality for the purpose of
26 acquiring, holding, and transferring unimproved real property
27 under this chapter.

1 (3) "Low income household" means a household with a
2 gross income of not greater than 60 percent of the area median
3 family income, adjusted for household size, for the metropolitan
4 statistical area in which the municipality is located, as
5 determined annually by the United States Department of Housing and
6 Urban Development.

7 (4) "Qualified participating developer" means a
8 developer who meets the requirements of Section 373.074 and
9 includes a qualified organization under Section 373.080(a).

10 (5) "Homeowner land bank plan" or "plan" means a plan
11 adopted by the governing body of a municipality as provided by
12 Section 373.075.

13 (6) "Homeowner land bank program" or "program" means a
14 program adopted under Section 373.073.

15 Sec. 373.073. HOMEOWNER LAND BANK PROGRAM. (a) The
16 governing body of a municipality may adopt an homeowner land bank
17 program in which the officer charged with selling real property
18 ordered sold pursuant to foreclosure of a tax lien may sell certain
19 eligible real property by private sale for purposes of affordable
20 housing development as provided by this chapter.

21 (b) The governing body of a municipality that adopts an
22 homeowner land bank program shall establish or approve a land bank
23 for the purpose of acquiring, holding, and transferring unimproved
24 real property under this chapter.

25 Sec. 373.074. QUALIFIED PARTICIPATING DEVELOPER. To
26 qualify to participate in an homeowner land bank program, a
27 developer must:

1 (1) have built three or more housing units within the
2 three-year period preceding the submission of a proposal to the
3 land bank seeking to acquire real property from the land bank;

4 (2) have a development plan approved by the
5 municipality for the land bank property; and (3) meet any other
6 requirements adopted by the municipality in the homeowner land bank
7 plan.

8 Sec. 373.075. HOMEOWNER LAND BANK PLAN. (a) A municipality
9 that adopts an homeowner land bank program shall operate the
10 program in conformance with an homeowner land bank plan.

11 (b) The governing body of a municipality that adopts a
12 homeowner land bank program shall adopt a plan annually. The plan
13 may be amended from time to time following the procedures set forth
14 in this Subchapter.

15 (c) In developing the plan, the municipality shall consider
16 other housing plans adopted by the municipality, including the
17 comprehensive plan submitted to the United States Department of
18 Housing and Urban Development and all fair housing plans and
19 policies adopted or agreed to by the municipality.

20 (d) The plan must include the following:

21 (1) a list of community housing development
22 organizations eligible to participate in the right of first refusal
23 provided by Section 373.080;

24 (2) a list of the parcels of real property that may
25 become eligible for sale to the land bank during the upcoming year;

26 (3) the municipality's plan for affordable housing
27 development on those parcels of real property; and

1 (4) the sources and amounts of funding anticipated to
2 be available from the municipality for subsidies for development of
3 affordable housing in the municipality, including any money
4 specifically available for housing developed under the program, as
5 approved by the governing body of the municipality at the time the
6 plan is adopted.

7 (e) In developing the plan. The municipality shall take
8 into consideration other housing plans adopted by the municipality
9 including. But not limited to, the Comprehensive Plan submitted to
10 the United States Department of Housing and Urban Development and
11 all fair housing plans adopted or agreed to be the municipality.

12 Sec. 373.076. PUBLIC HEARING ON PROPOSED PLAN. (a) Before
13 adopting a plan, a municipality shall hold a public hearing on the
14 proposed plan.

15 (b) The city manager or the city manager's designee shall
16 provide notice of the hearing to all community housing development
17 organizations and to neighborhood associations identified by the
18 municipality as serving the neighborhoods in which properties
19 anticipated to be available for sale to the land bank under this
20 chapter are located.

21 (c) The city manager or the city manager's designee shall
22 make copies of the proposed plan available to the public not later
23 than the 60th day before the date of the public hearing.

24 Sec. 373.077. PRIVATE SALE TO LAND BANK. (a)
25 Notwithstanding any other law and except as provided by Subsection
26 (f), property that is ordered sold pursuant to foreclosure of a tax
27 lien may be sold in a private sale to a land bank by the officer

1 charged with the sale of the property without first offering the
2 property for sale as otherwise provided by Section 34.01, Tax Code,
3 if: the market value of the property as specified in the judgment of
4 foreclosure is less than the total amount due under the judgment,
5 including all taxes, penalties, and interest, plus the value of
6 nontax liens held by a taxing unit and awarded by the judgment,
7 court costs, and the cost of the sale;

8 (2) the property is not improved with a building or
9 buildings;

10 (3) there are delinquent taxes on the property for
11 each of the preceding six years; and

12 (4) the municipality has executed with the other
13 taxing units that are parties to the tax suit an interlocal
14 agreement that enables those units to agree to participate in the
15 program while retaining the right to withhold consent to the sale of
16 specific properties to the land bank.

17 A sale of property for use in connection with the program is a sale
18 for a public purpose.

19 (c) If the person being sued in a suit for foreclosure of a
20 tax lien does not contest the market value of the property in the
21 suit, the person waives the right to challenge the amount of the
22 market value determined by the court for purposes of the sale of the
23 property under Section 33.50, Tax Code.

24 (d) For any sale of property under this chapter, each person
25 who was a defendant to the judgment, or that person's attorney,
26 shall be given, not later than the 90th day before the date of sale,
27 written notice of the proposed method of sale of the property by the

1 officer charged with the sale of the property. Notice shall be
2 given in the manner prescribed by Rule 21a, Texas Rules of Civil
3 Procedure.

4 (e) After receipt of the notice required by Subsection (d)
5 and before the date of the proposed sale, the owner of the property
6 subject to sale may file with the officer charged with the sale a
7 written request that the property not be sold in the manner provided
8 by this chapter.

9 (f) If the officer charged with the sale receives a written
10 request as provided by Subsection (e), the officer shall sell the
11 property as otherwise provided in Section 34.01, Tax Code.

12 (g) The owner of the property subject to sale may not
13 receive any proceeds of a sale under this chapter. However, the
14 owner does not have any personal liability for a deficiency of the
15 judgment as a result of a sale under this chapter.

16 (h) Notwithstanding any other law, if consent is given by
17 the taxing units that are a party to the judgment, property may be
18 sold to the land bank for less than the market value of the property
19 as specified in the judgment or less than the total of all taxes,
20 penalties, and interest, plus the value of nontax liens held by a
21 taxing unit and awarded by the judgment, court costs, and the cost
22 of the sale.

23 (i) The deed of conveyance of the property sold to a land
24 bank under this section conveys to the land bank the right, title,
25 and interest acquired or held by each taxing unit that was a party
26 to the judgment, subject to the right of redemption.

27 Sec. 373.078. SUBSEQUENT RESALE BY LAND BANK. (a) Each

1 subsequent resale of property acquired by a land bank under this
2 chapter must comply with the conditions of this section.

3 (b) The land bank must sell a property to a qualified
4 participating developer within the three-year period following the
5 date of acquisition for the purpose of construction of affordable
6 housing for sale or rent to low income households. If after three
7 years a qualified participating developer has not purchased the
8 property, the property shall be transferred from the land bank to
9 the taxing units who were parties to the judgment for disposition as
10 otherwise allowed under the law.

11 (c) The deed conveying a property sold by the land bank must
12 include a right of reverter so that if the qualified participating
13 developer does not apply for a construction permit and close on any
14 construction financing within the three-year period following the
15 date of the conveyance of the property from the land bank to the
16 qualified participating developer, the property will revert to the
17 land bank for subsequent resale to another qualified participating
18 developer or conveyance to the taxing units who were parties to the
19 judgment for disposition as otherwise allowed under the law.

20 Sec. 373.079. RESTRICTIONS ON OCCUPANCY AND USE OF
21 PROPERTY. (a) The land bank shall impose deed restrictions on
22 property sold to qualified participating developers requiring the
23 development and sale or rental of the property to low income
24 households.

25 (b) If property is developed for rental housing, the deed
26 restrictions must be for a period of not less than 15 years and must
27 require that:

1 (1) 100 percent of the rental units be occupied by
2 households with incomes not greater than 60 percent of area median
3 family income, based on gross household income, adjusted for
4 household size, for the metropolitan statistical area in which the
5 municipality is located, as determined annually by the United
6 States Department of Housing and Urban Development;

7 (2) 40 percent of the units be occupied by households
8 with incomes not greater than 50 percent of area median family
9 income, based on gross household income, adjusted for household
10 size, for the metropolitan statistical area in which the
11 municipality is located, as determined annually by the United
12 States Department of Housing and Urban Development; or

13 (3) 20 percent of the units be occupied by households
14 with incomes not greater than 30 percent of area median family
15 income, based on gross household income, adjusted for household
16 size, for the metropolitan statistical area in which the
17 municipality is located, as determined annually by the United
18 States Department of Housing and Urban Development.

19 (c) The deed restrictions under Subsection (b) must require
20 the owner to file an annual occupancy report with the municipality
21 on a reporting form provided by the municipality. The deed
22 restrictions must also prohibit the exclusion of an individual or
23 family from admission to the development because the individual or
24 family participates in the housing choice voucher program under
25 Section 8, United States Housing Act of 1937 (42 U.S.C. Section
26 1437f), as amended.

27 (d) Additional occupancy and use restrictions may be

1 adopted by the governing body of the municipality in the plan and
2 applied to property sold to the land bank under this chapter.

3 Sec. 373.080. RIGHT OF FIRST REFUSAL. (a) In this section,
4 "qualified organization" means a community housing development
5 organization that:

6 (1) contains within its designated geographical
7 boundaries of operation, as set forth in its application for
8 certification filed with and approved by the municipality, a
9 portion of the property that the land bank is offering for sale;

10 (2) has built at least three single-family homes or
11 duplexes or one multifamily residential dwelling of four or more
12 units in compliance with all applicable building codes within the
13 preceding two-year period and within the organization's designated
14 geographical boundaries of operation; and

15 (3) within the preceding two-year period has built or
16 rehabilitated housing units within a one-half mile radius of the
17 property that the land bank is offering for sale.

18 (b) The land bank shall first offer a property for sale to
19 qualified organizations.

20 (c) Notice must be provided to the qualified organizations
21 by certified mail, return receipt requested.

22 (d) The municipality shall specify in its plan the period
23 during which the right of first refusal provided by this section may
24 be exercised by a qualified organization. That period must be at
25 least nine months but not more than 26 months from the date of the
26 deed of conveyance of the property to the land bank.

27 (e) During the specified period, the land bank may not sell

1 the property to a qualified participating developer other than a
2 qualified organization. If all qualified organizations notify the
3 land bank that they are declining to exercise their right of first
4 refusal during the specified period, or if an offer to purchase the
5 property is not received from a qualified organization during that
6 period, the land bank may sell the property to any other qualified
7 participating developer at the same price that the land bank
8 offered the property to the qualified organizations.

9 (f) In its plan, the municipality shall establish the amount
10 of additional time, if any, that a property may be held in the land
11 bank once an offer has been received and accepted from a qualified
12 organization or other qualified participating developer.

13 (g) If more than one qualified organization expresses an
14 interest in exercising its right of first refusal, the organization
15 that has designated the most geographically compact area
16 encompassing a portion of the property shall be given priority.

17 (h) In its plan, the municipality may provide for other
18 rights of first refusal for any other nonprofit corporation
19 exempted from federal income tax under Section 501(c)(3), Internal
20 Revenue Code of 1986, as amended, provided that the preeminent
21 right of first refusal is provided to qualified organizations as
22 provided by this section.

23 (i) The land bank is not required to provide a right of first
24 refusal to qualified organizations under this section if the land
25 bank is selling property that reverted to the land bank under
26 Section 373.078(c).

27 Sec. 373.081. OPEN RECORDS AND MEETINGS. The land bank

1 shall comply with the requirements of Chapters 551 and 552,
2 Government Code.

3 Sec. 373.082. RECORDS; AUDIT; REPORT. (a) The land bank
4 shall keep accurate minutes of its meetings and shall keep accurate
5 records and books of account that conform with generally accepted
6 principles of accounting and that clearly reflect the income and
7 expenses of the land bank and all transactions in relation to its
8 property.

9 (b) The land bank shall file with the municipality not later
10 than the 90th day after the close of the fiscal year annual audited
11 financial statements prepared by a certified public accountant.
12 The financial transactions of the land bank are subject to audit by
13 the municipality.

14 (c) For purposes of evaluating the effectiveness of the
15 program, the land bank shall submit an annual performance report to
16 the municipality not later than November 1 of each year in which the
17 land bank acquires or sells property under this chapter. The
18 performance report must include:

19 (1) a complete and detailed written accounting of all
20 money and properties received and disbursed by the land bank during
21 the preceding fiscal year;

22 (2) for each property acquired by the land bank during
23 the preceding fiscal year:

24 (A) the street address of the property;

25 (B) the legal description of the property;

26 (C) the date the land bank took title to the
27 property;

1 (D) the name and address of the property owner of
2 record at the time of the foreclosure;

3 (E) the amount of taxes and other costs owed at
4 the time of the foreclosure; and

5 (F) the assessed value of the property on the tax
6 roll at the time of the foreclosure;

7 (3) for each property sold by the land bank during the
8 preceding fiscal year to a qualified participating developer:

9 (A) the street address of the property;

10 (B) the legal description of the property;

11 (C) the name and mailing address of the
12 developer;

13 (D) the purchase price paid by the developer; ,

14 (E) the maximum incomes allowed for the
15 households by the terms of the sale; and

16 (F) the source and amount of any public subsidy
17 provided by the municipality to facilitate the sale or rental of the
18 property to a household within the targeted income levels;

19 (4) for each property sold by a qualified
20 participating developer during the preceding fiscal year, the
21 buyer's household income and a description of all use and sale
22 restrictions; and

23 (5) for each property developed for rental housing
24 with an active deed restriction, a copy of the most recent annual
25 report filed by the owner with the land bank.

26 (d) The land bank shall maintain in its records for
27 inspection a copy of the sale settlement statement for each

1 property sold by a qualified participating developer and a copy of
2 the first page of the mortgage note with the interest rate and
3 indicating the volume and page number of the instrument as filed
4 with the county clerk.

5 (e) The land bank shall provide copies of the performance
6 report to the taxing units who were parties to the judgment of
7 foreclosure and shall provide notice of the availability of the
8 performance report for review to the organizations and neighborhood
9 associations identified by the municipality as serving the
10 neighborhoods in which properties sold to the land bank under this
11 chapter are located.

12 (f) The land bank and the municipality shall maintain copies
13 of the performance report available for public review.

14 SECTION 2. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2003.