

By: Lucio

S.B. No. 723

A BILL TO BE ENTITLED

AN ACT

relating to a study of affordable housing needs and potential revenue sources for affordable housing.

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

SECTION 1. Subchapter K, Chapter 2306, Government Code, is amended by adding Section 2306.260 to read as follows:

Sec. 2306.260. STUDY REGARDING AFFORDABLE HOUSING NEEDS AND FUNDING. (a) The department shall conduct a study of affordable housing needs and potential revenue sources for affordable housing in this state. The study must:

(1) include an overview of the affordable housing needs in this state;

(2) estimate the amount of appropriations from general revenue that will be needed annually to address those affordable housing needs;

(3) identify and evaluate potential revenue sources other than appropriations from general revenue, including real property transfer fees and real property document recordation fees at the county level, that could be dedicated to the housing trust fund for use in developing affordable housing in this state;

(4) evaluate the impact that a dedicated source of revenue for the housing trust fund could have on the state economy, including the impact on:

(A) jobs and income;

1 (B) industry sectors;
2 (C) tax revenues; and
3 (D) spending by households that benefit from
4 increased access to affordable housing; and

5 (5) evaluate potential social and community benefits
6 that may result from increased investment in the housing trust
7 fund, including:

8 (A) increased family stability and household
9 wealth;

10 (B) improvements in public health;

11 (C) lower dropout rates in schools;

12 (D) lower unemployment rates;

13 (E) environmental benefits; and

14 (F) increased economic development.

15 (b) The evaluation of potential revenue sources under
16 Subsection (a)(3) must include:

17 (1) an estimate of:

18 (A) the amount of money that could be raised
19 through the revenue source; and

20 (B) the ease or difficulty of administration and
21 distribution of the money; and

22 (2) an evaluation of whether the revenue source:

23 (A) has a logical relationship to the development
24 of affordable housing;

25 (B) is regressive or progressive, if the revenue
26 source is a tax or a fee; and

27 (C) could lead to the leveraging of other revenue

1 sources or would meet requirements for federal housing matching
2 funds.

3 (c) The department may contract with an appropriate
4 independent organization specializing in affordable housing or
5 economic development research to conduct the study on the
6 department's behalf.

7 (d) The department shall report to the governor, the
8 lieutenant governor, and the speaker of the house of
9 representatives on the study and its results not later than
10 September 1, 2006.

11 (e) To conduct the study, the department or organization may
12 use money available under Section 1372.006(a-1).

13 (f) This section expires February 1, 2007.

14 SECTION 2. Section 1372.006, Government Code, is amended by
15 adding Subsection (a-1) to read as follows:

16 (a-1) In addition to being used in the affordable housing
17 research and information program, money transferred to the Texas
18 Department of Housing and Community Affairs may be used by the
19 department to conduct the study regarding affordable housing needs
20 and funding, as provided by Section 2306.260. This subsection
21 expires February 1, 2007.

22 SECTION 3. This Act takes effect immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this
25 Act does not receive the vote necessary for immediate effect, this
26 Act takes effect September 1, 2005.