

1-1 By: Lucio S.B. No. 723  
1-2 (In the Senate - Filed February 24, 2005; March 2, 2005,  
1-3 read first time and referred to Committee on Intergovernmental  
1-4 Relations; April 26, 2005, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 4, Nays 0;  
1-6 April 26, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 723 By: Deuell

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to a study of affordable housing needs and potential  
1-11 revenue sources for affordable housing.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter K, Chapter 2306, Government Code, is  
1-14 amended by adding Section 2306.260 to read as follows:

1-15 Sec. 2306.260. STUDY REGARDING AFFORDABLE HOUSING NEEDS AND  
1-16 FUNDING. (a) The department shall conduct a study of affordable  
1-17 housing needs and potential revenue sources for affordable housing  
1-18 in this state. The study must:

1-19 (1) include an overview of the affordable housing  
1-20 needs in this state;

1-21 (2) estimate the amount of appropriations from general  
1-22 revenue that will be needed annually to address those affordable  
1-23 housing needs;

1-24 (3) identify and evaluate potential revenue sources  
1-25 other than appropriations from general revenue that could be  
1-26 dedicated to the housing trust fund for use in developing  
1-27 affordable housing in this state;

1-28 (4) evaluate the impact that a dedicated source of  
1-29 revenue for the housing trust fund could have on the state economy,  
1-30 including the impact on:

1-31 (A) jobs and income;

1-32 (B) industry sectors;

1-33 (C) tax revenues; and

1-34 (D) spending by households that benefit from  
1-35 increased access to affordable housing; and

1-36 (5) evaluate potential social and community benefits  
1-37 that may result from increased investment in the housing trust  
1-38 fund, including:

1-39 (A) increased family stability and household  
1-40 wealth;

1-41 (B) improvements in public health;

1-42 (C) lower dropout rates in schools;

1-43 (D) lower unemployment rates;

1-44 (E) environmental benefits; and

1-45 (F) increased economic development.

1-46 (b) The evaluation of potential revenue sources under  
1-47 Subsection (a) (3) must include:

1-48 (1) an estimate of:

1-49 (A) the amount of money that could be raised  
1-50 through the revenue source; and

1-51 (B) the ease or difficulty of administration and  
1-52 distribution of the money; and

1-53 (2) an evaluation of whether the revenue source:

1-54 (A) has a logical relationship to the development  
1-55 of affordable housing;

1-56 (B) is regressive or progressive, if the revenue  
1-57 source is a tax or a fee; and

1-58 (C) could lead to the leveraging of other revenue  
1-59 sources or would meet requirements for federal housing matching  
1-60 funds.

1-61 (c) The department may contract with an appropriate  
1-62 independent organization and institutions of higher education  
1-63 specializing in affordable housing or economic development

2-1 research to conduct the study on the department's behalf.

2-2 (d) The department shall report to the governor, the  
2-3 lieutenant governor, and the speaker of the house of  
2-4 representatives on the study and its results not later than  
2-5 September 1, 2006.

2-6 (e) To conduct the study, the department or organization may  
2-7 use money available under Section 1372.006(a-1) and may seek and  
2-8 accept grants or donations.

2-9 (f) This section expires February 1, 2007.

2-10 SECTION 2. Section 1372.006, Government Code, is amended by  
2-11 adding Subsection (a-1) to read as follows:

2-12 (a-1) In addition to being used in the affordable housing  
2-13 research and information program, money transferred to the Texas  
2-14 Department of Housing and Community Affairs may be used by the  
2-15 department to conduct the study regarding affordable housing needs  
2-16 and funding, as provided by Section 2306.260. This subsection  
2-17 expires February 1, 2007.

2-18 SECTION 3. This Act takes effect immediately if it receives  
2-19 a vote of two-thirds of all the members elected to each house, as  
2-20 provided by Section 39, Article III, Texas Constitution. If this  
2-21 Act does not receive the vote necessary for immediate effect, this  
2-22 Act takes effect September 1, 2005.

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