

House Bill 1742
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SECTION 1. Section 361.1875, Health and Safety Code, is amended to read as follows:

Sec. 361.1875. EXCLUSION OF CERTAIN POTENTIALLY RESPONSIBLE PARTIES. (a) The commission may not name a person as a responsible party for an enforcement action or require a person to reimburse remediation costs for a site if the commission has conducted an investigation of a site owned or operated by the person and as a result of the investigation has determined that:

(1) the contaminants that are the subject of investigation under this subchapter appear to originate from an up-gradient, off-site source that is not owned or operated by the person;

(2) additional corrective action is not required at the site owned or operated by the person; and

(3) the commission will not undertake a formal enforcement action in the matter.

(b) The commission may not name a land bank established under Chapter 379C, Local Government Code, as a responsible party for an enforcement action or require the land bank to reimburse remediation costs for a site if the commission has conducted an investigation of a site owned or operated by the land bank and as a result of the investigation has determined that:

(1) the contaminants that are the subject of investigation under this subchapter:

(A) appear to originate from an up-gradient, off-site source that is not owned or operated by the land bank; or

(B) appear to have been present on the site before the

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land bank purchased the site; and
(2) the land bank could not have reasonably known
about the contaminants at the time the land bank
purchased the site.

SECTION 2. Section 361.271(b), Health and Safety Code, is amended to read as follows:

(b) A political subdivision, a land bank established under Chapter 379C, Local Government Code, or an officer or employee of the political subdivision or land bank is not a person responsible for solid waste released or threatened to be released from a facility or at a site if:

(1) the political subdivision or land bank acquired ownership or control of the facility or site through a [bankruptcy,] tax delinquency[, abandonment,] or if the subdivision acquired ownership or control of the facility or site through bankruptcy, abandonment, or other circumstances in which the subdivision involuntarily acquired title to the facility or site by virtue of the subdivision's function as sovereign; and

(2) the political subdivision, land bank, officer, or employee did not cause or contribute to the release or threatened release of solid waste at the facility or site.

No equivalent provision.

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Same as House version.

SECTION __. § 373A.003 Local Government Code.
APPLICABILITY OF CHAPTER. (a) This chapter applies ~~only~~ to a municipality with a population of more than 650,000 that is located in a uniform state

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service region with fewer than 550,000 occupied housing units as determined by the most recent United States decennial census.

(b)Subchapters A, B, C and D apply to any municipality with a population of 1.18 million or more which is located predominantly in a county that has a total area of less than 1,000 square miles and has adopted an urban land bank demonstration program under Chapter 379C, Local Government Code.

No equivalent provision.

SECTION __. § 373A.052. ELIGIBILITY FOR DESIGNATION.

(a) To be designated as a district within a municipality described by §373.003(a) under this subchapter, an area must be composed of census tracts forming a spatially compact area contiguous to a central business district and with:

- (1)fewer than 25,000 residents;
- (2)fewer than 8,000 households;
- (3)a number of owner-occupied households that does not exceed 50 percent of the total households in the area;
- (4)housing stock at least 55 percent of which was built at least 45 years ago;
- (5)an unemployment rate that is greater than 10 percent;
- (6)an overall poverty rate that is at least two times the poverty rate for the entire municipality; and
- (7)in each census tract within the area, a median family income that is less than 60 percent of the median family income for the entire municipality.

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(b)To be designated as a district within a municipality described by §373.003(b) under this subchapter, an area must be composed of census tracts forming a spatially compact area contiguous to a central business district and with:

(1)fewer than 75,000 residents

(2)a median family income that is less than \$30,000 according to the last decennial census,

(3)an overall poverty rate that is at least two times the poverty rate for the entire municipality.

(c)An area that is designated as a district under this subchapter may retain its designation as a district regardless of whether the area continues to meet the eligibility criteria provided by this section, except that an area that does not elect to retain its designation as permitted by this subsection must meet all eligibility criteria to be considered for subsequent redesignation as a district.

No equivalent provision.

SECTION __. It is the intent of the legislature that the passage by the 80th Legislature, Regular Session, 2007, of another bill that amends Chapter 373A, Local Government Code, and the amendments made by this Act shall be harmonized, if possible, as provided by Section 311.025(b), Government Code, so that effect may be given to each. If the amendments made by this Act to Chapter 373A, Local Government Code, and the amendments made to Chapter 373A, Local Government Code, by any other bill are irreconcilable, it is the intent

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of the legislature that this Act prevail, regardless of the relative dates of enactment of this Act and the other bill or bills, but only to the extent that any differences are irreconcilable.

SECTION 3. Section 379C.003(3), Local Government Code, is amended to read as follows:

(3) "Low income household" means a household with a gross income of not greater than 115 [80] percent of the area median family income, adjusted for household size, for the metropolitan statistical area in which the municipality is located, as determined annually by the United States Department of Housing and Urban Development.

Same as House version.

SECTION 4. Section 379C.008(a), Local Government Code, is amended to read as follows:

(a) Notwithstanding any other law and except as provided by Subsection (f), property that is ordered sold pursuant to foreclosure of a tax lien may be sold in a private sale to a land bank by the officer charged with the sale of the property without first offering the property for sale as otherwise provided by Section 34.01, Tax Code, if:

(1) the market value of the property as specified in the judgment of foreclosure is less than the total amount due under the judgment, including all taxes, penalties, and interest, plus the value of nontax liens held by a taxing

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unit and awarded by the judgment, court costs, and the cost of the sale;

(2) the property is not improved with:

(A) a habitable building or buildings; or

(B) an uninhabitable building or buildings that are occupied as a residence by an owner or tenant who is legally entitled to occupy the building or buildings;

(3) there are delinquent taxes on the property for a total of at least five [each of the preceding six] years; and

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

SECTION 5. Section 379C.010(b), Local Government Code, is amended to read as follows:

(b) Each land bank property sold during any given fiscal year to be developed for sale must be deed restricted for sale to low income households, and:

(1) at [A~~t~~] least **20 [25]** percent of those [the] land bank properties must [sold during any given fiscal year to be developed for sale shall] be deed restricted for sale to households with gross household incomes not greater than 60 percent of the area median family income, adjusted for household size; and

(2) not more than 30 percent of those land bank properties may be deed restricted for sale to households with gross household incomes greater than 80 percent of

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unit and awarded by the judgment, court costs, and the cost of the sale;

(2) the property is not improved with a habitable building or buildings or an uninhabitable building or buildings that are occupied as a residence by an owner or tenant who is legally entitled to occupy the building or buildings;

(3) there are delinquent taxes on the property for a total of at least five [each of the preceding six] years; and

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

SECTION 5. Section 379C.010(b), Local Government Code, is amended to read as follows:

(b) Each land bank property sold during any given fiscal year to be developed for sale must be deed restricted for sale to low income households, and:

(1) at [A~~t~~] least **25** percent of those [the] land bank properties must [sold during any given fiscal year to be developed for sale shall] be deed restricted for sale to households with gross household incomes not greater than 60 percent of the area median family income, adjusted for household size; and

(2) not more than 30 percent of those land bank properties may be deed restricted for sale to households with gross household incomes greater than 80 percent of

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the area median family income, adjusted for household size [~~for the metropolitan statistical area in which the municipality is located, as determined annually by the United States Department of Housing and Urban Development~~].

SECTION 6. Section 379C.011(d), Local Government Code, is amended to read as follows:

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

No equivalent provision.

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the area median family income, adjusted for household size [~~for the metropolitan statistical area in which the municipality is located, as determined annually by the United States Department of Housing and Urban Development~~].

Same as House version.

SECTION __. Subsection (a), Section 379D.010, Local Government Code, is amended to read as follows:

(a)The land bank shall impose deed restrictions with appropriate terms and conditions on property sold to qualified participating developers and eligible adjacent property owners that require:

(1)the development and sale or rental of the property to low income households, if the property is sold to a qualified participating developer; or

(2)the use of the property to be consistent and compatible with the residential character of the neighborhood and any applicable standards for use adopted by the land bank, if the property is sold to an eligible adjacent

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property owner.

No equivalent provision.

SECTION __. Section 379D.011, Local Government Code, is amended to read as follows:

Sec. 379D.011. RIGHT OF FIRST REFUSAL IN ELIGIBLE ADJACENT PROPERTY OWNERS; CONDITIONS OF PURCHASE (a) Property acquired by the land bank shall be offered for sale, at fair market value as determined by the appraisal district in which the property is located, to eligible adjacent property owners under a right of first refusal on terms and conditions developed by the land bank that are consistent with this chapter.

(b)To be eligible to exercise a right of first refusal under this section, an owner of property adjacent to property acquired by the land bank:

(1)must have owned and continuously occupied that property for at least the five preceding years as that person's principal residence; and

(2)must meet any eligibility requirements adopted by the land bank.

(c)An adjacent property owner who purchases property under this section may not lease, sell, or otherwise transfer the property to another party before the 10th anniversary of the date the adjacent property owner purchases the property. This prohibition does not apply to a transfer of property, as allowed by policies adopted by the land bank:

(1)to a family member of the adjacent property owner; or

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(2)in the case of the death of the adjacent property owner.

No equivalent provision.

SECTION __. Chapter 379D, Local Government Code, is amended by adding Section 379D.015 to read as follows:

Sec. 379D.015. EFFECT OF SALE TO LAND BANK OR SUBSEQUENT PURCHASERS OR LENDERS FOR VALUE; LIMITATION ON CERTAIN CAUSES OF ACTION. After the first anniversary of a sale of property to a land bank under this chapter:

(1)a third party, other than a qualified participating developer or eligible adjacent property owner who purchased the property from the land bank under this chapter or a person with a cause of action based on a right, title, interest, or other claim described by Subdivision (2)(A)(ii), may not bring a cause of action to set aside or otherwise challenge the sale of the property to the land bank, including a cause of action that is brought against:

(A)a qualified participating developer or eligible adjacent property owner who purchases property from the land bank under Section 379D.009 or 379D.011, as applicable; or

(B)any other subsequent purchaser for value or lender for value; and

(2)a qualified participating developer or eligible adjacent property owner who purchases property from a land bank under this chapter or any other subsequent purchaser for

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value or, if applicable, a lender for a developer, owner, or purchaser described by this subdivision or any other subsequent lender for value:

(A)has, with the following characteristics, a full title to the property:

(i)except as provided by Subparagraph (ii), the title is not subject to any right, title, interest, or other claim a person acquired in the property before or after the sale of the property to the land bank, including a right of first refusal, right of second refusal, and any other right, title, interest, or other claim provided by this chapter, other than the right of reverter provided by Section 379D.009(d); and

(ii)the title is subject only to:

(a)the recorded restrictive covenants, liens, and valid easements of record described by Section 34.01(n), Tax Code;

(b)anyrightsof redemption applicable to the property;

(c)any cause of action to impeach the property deed based on a claim of fraud;

(d)the right of reverter provided by Section 379D.009(d) and the recorded deed restrictions described by Section 379D.010; and

(e)any right, title, interest, or other claim with respect to the property that arose after the sale of the property to the land bank under a law other than this chapter; and

(B)may conclusively presume that:

(i)the sale of the property to the land bank under this chapter was valid; and

(ii)a mortgage on or a subsequent sale of the property

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complies with this chapter and is subject only to a right, title, interest, or other claim provided by Paragraph (A)(ii).

No equivalent provision.

SECTION __. Section 379D.015, Local Government Code, as added by this Act, applies only to a cause of action that accrues on or after the effective date of this Act and concerns property that is first purchased by a land bank under Section 379D.015, Local Government Code, on or after the effective date of this Act.

No equivalent provision.

SECTION __. Subtitle A, Title 12, Local Government Code, is amended by adding Chapter 379E to read as follows:

CHAPTER 379E. URBAN LAND BANK PROGRAM

Sec. 379E.001. SHORT TITLE. This chapter may be cited as the Urban Land Bank Program Act.

Sec. 379E.002. APPLICABILITY; CONSTRUCTION WITH OTHER LAW. This chapter applies only to a municipality:

(1)to which Chapter 379C or 379D does not apply; and
(2)that has not ever adopted a homestead land bank program under Subchapter E, Chapter 373A.

Sec. 379E.003. DEFINITIONS. In this chapter:

(1)"Affordable" means that the monthly mortgage payment or contract rent does not exceed 30 percent of the applicable median family income for that unit size, in accordance with the income and rent limit rules adopted

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by the Texas Department of Housing and Community Affairs.

(2) "Community housing development organization" or "organization" means an organization that:

(A)meets the definition of a community housing development organization in 24 C.F.R. Section 92.2; and

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

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

(4)"Low income household" means a household with a gross income of not greater than 80 percent of the area median family income, adjusted for household size, for the metropolitan statistical area in which the municipality is located, as determined annually by the United States Department of Housing and Urban Development.

(5)"Qualified participating developer" means a developer who meets the requirements of Section 379E.005 and includes a qualified organization under Section 379E.011.

(6)"Urban land bank plan" or "plan" means a plan adopted by the governing body of a municipality as provided by Section 379E.006.

(7)"Urban land bank program" or "program" means a program adopted under Section 379E.004.

Sec. 379E.004. URBAN LAND BANK PROGRAM. (a) The governing body of a municipality may adopt an urban land bank program in which the officer charged

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with selling real property ordered sold pursuant to foreclosure of a tax lien may sell certain eligible real property by private sale for purposes of affordable housing development as provided by this chapter.

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

Sec. 379E.005. QUALIFIED PARTICIPATING DEVELOPER. To qualify to participate in an urban land bank program, a developer must:

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

(2)have a development plan approved by the municipality for the land bank property; and

(3)meet any other requirements adopted by the municipality in the urban land bank plan.

Sec. 379E.006. URBAN LAND BANK PLAN. (a) A municipality that adopts an urban land bank program shall operate the program in conformance with an urban land bank plan.

(b)The governing body of a municipality that adopts an urban land bank program shall adopt a plan annually. The plan may be amended from time to time.

(c)In developing the plan, the municipality shall consider other housing plans adopted by the municipality, including the comprehensive plan submitted to the United States Department of Housing and Urban

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Development and all fair housing plans and policies adopted or agreed to by the municipality.

(d)The plan must include the following:

(1)a list of community housing development organizations eligible to participate in the right of first refusal provided by Section 379E.011;

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

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

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

Sec. 379E.007. PUBLIC HEARING ON PROPOSED PLAN. (a) Before adopting a plan, a municipality shall hold a public hearing on the proposed plan.

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

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

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hearing.

Sec. 379E.008. PRIVATE SALE TO LAND BANK. (a) Notwithstanding any other law and except as provided by Subsection (f), property that is ordered sold pursuant to foreclosure of a tax lien may be sold in a private sale to a land bank by the officer charged with the sale of the property without first offering the property for sale as otherwise provided by Section 34.01, Tax Code, if:

(1)the market value of the property as specified in the judgment of foreclosure is less than the total amount due under the judgment, including all taxes, penalties, and interest, plus the value of nontax liens held by a taxing unit and awarded by the judgment, court costs, and the cost of the sale;

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

(3)there are delinquent taxes on the property for a total of at least five years; and

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

(b)A sale of property for use in connection with the program is a sale for a public purpose.

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

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Tax Code.

(d)For any sale of property under this chapter, each person who was a defendant to the judgment, or that person's attorney, shall be given, not later than the 90th day before the date of sale, written notice of the proposed method of sale of the property by the officer charged with the sale of the property. Notice must be given in the manner prescribed by Rule 21a, Texas Rules of Civil Procedure.

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

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

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

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

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

Sec. 379E.009. SUBSEQUENT RESALE BY LAND BANK. (a) Each subsequent resale of property acquired by a land bank under this chapter must comply with the conditions of this section.

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

(c)Unless the municipality increases the amount in its plan, the number of properties acquired by a qualified participating developer under this section on which development has not been completed may not at any time exceed three times the annual average residential production completed by the qualified participating developer during the preceding two-year period as determined by the municipality.

(d)The deed conveying a property sold by the land bank must include a right of reverter so that, if the qualified participating developer does not apply for a construction permit and close on any construction financing within

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the two-year period following the date of the conveyance of the property from the land bank to the qualified participating developer, the property will revert to the land bank for subsequent resale to another qualified participating developer or conveyance to the taxing units who were parties to the judgment for disposition as otherwise allowed under the law.

Sec. 379E.010. RESTRICTIONS ON OCCUPANCY AND USE OF PROPERTY. (a) The land bank shall impose deed restrictions on property sold to qualified participating developers requiring the development and sale or rental of the property to low income households.

(b)At least 25 percent of the land bank properties sold during any given fiscal year to be developed for sale shall be deed restricted for sale to households with gross household incomes not greater than 60 percent of the area median family income, adjusted for household size, for the metropolitan statistical area in which the municipality is located, as determined annually by the United States Department of Housing and Urban Development.

(c)If property is developed for rental housing, the deed restrictions must be for a period of not less than 20 years and must require that:

(1)100 percent of the rental units be occupied by and affordable to households with incomes not greater than 60 percent of area median family income, based on gross household income, adjusted for household size, for the metropolitan statistical area in which the municipality is located, as determined annually by the United States

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Department of Housing and Urban Development;
(2)40 percent of the units be occupied by and affordable
to households with incomes not greater than 50 percent
of area median family income, based on gross household
income, adjusted for household size, for the metropolitan
statistical area in which the municipality is located, as
determined annually by the United States Department of
Housing and Urban Development; or
(3)20 percent of the units be occupied by and affordable
to households with incomes not greater than 30 percent
of area median family income, based on gross household
income, adjusted for household size, for the metropolitan
statistical area in which the municipality is located, as
determined annually by the United States Department of
Housing and Urban Development.
(d)The deed restrictions under Subsection (c) must
require the owner to file an annual occupancy report with
the municipality on a reporting form provided by the
municipality. The deed restrictions must also prohibit
any exclusion of an individual or family from admission
to the development based solely on the participation of
the individual or family in the housing choice voucher
program under Section 8, United States Housing Act of
1937 (42 U.S.C. Section 1437f), as amended.
(e)Except as otherwise provided by this section, if the
deed restrictions imposed under this section are for a
term of years, the deed restrictions shall renew
automatically.
(f)The land bank or the governing body of the
municipality may modify or add to the deed restrictions

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imposed under this section. Any modifications or additions made by the governing body of the municipality must be adopted by the municipality as part of its plan and must comply with the restrictions set forth in Subsections (b), (c), and (d).

Sec. 379E.011. RIGHT OF FIRST REFUSAL. (a) In this section, "qualified organization" means a community housing development organization that:

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

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

(3) within the preceding three-year period has developed or rehabilitated housing units within a two-mile radius of the property that the land bank is offering for sale.

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

(c) Notice must be provided to the qualified organizations by certified mail, return receipt requested, not later than the 60th day before the beginning of the period in which a right of first refusal may be exercised.

(d) The municipality shall specify in its plan the period during which the right of first refusal provided by this

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section may be exercised by a qualified organization. That period must be at least nine months but not more than 26 months from the date of the deed of conveyance of the property to the land bank.

(e)If the land bank conveys the property to a qualified organization before the expiration of the period specified by the municipality under Subsection (d), the interlocal agreement executed under Section 379E.008(a)(4) must provide tax abatement for the property until the expiration of that period.

(f)During the specified period, the land bank may not sell the property to a qualified participating developer other than a qualified organization. If all qualified organizations notify the land bank that they are declining to exercise their right of first refusal during the specified period, or if an offer to purchase the property is not received from a qualified organization during that period, the land bank may sell the property to any other qualified participating developer at the same price that the land bank offered the property to the qualified organizations.

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

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

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

(j)The land bank is not required to provide a right of first refusal to qualified organizations under this section if the land bank is selling property that reverted to the land bank under Section 379E.009(d).

Sec. 379E.012. OPEN RECORDS AND MEETINGS. The land bank shall comply with the requirements of Chapters 551 and 552, Government Code.

Sec. 379E.013. RECORDS; AUDIT; REPORT. (a) The land bank shall keep accurate minutes of its meetings and shall keep accurate records and books of account that conform with generally accepted principles of accounting and that clearly reflect the income and expenses of the land bank and all transactions in relation to its property.

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

(c)For purposes of evaluating the effectiveness of the program, the land bank shall submit an annual performance report to the municipality not later than November 1 of each year in which the land bank

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acquires or sells property under this chapter. The performance report must include:

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

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

(A)the street address of the property;

(B)the legal description of the property;

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

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

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

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

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

(A)the street address of the property;

(B)the legal description of the property;

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

(D)the purchase price paid by the developer;

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

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

(4)for each property sold by a qualified participating

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developer during the preceding fiscal year, the buyer's household income and a description of all use and sale restrictions; and

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

(d)The land bank shall maintain in its records for inspection a copy of the sale settlement statement for each property sold by a qualified participating developer and a copy of the first page of the mortgage note with the interest rate and indicating the volume and page number of the instrument as filed with the county clerk.

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

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

SECTION 7. Section 11.18, Tax Code, is amended by amending Subsection (d) and adding Subsection (o) to read as follows:

(d) A charitable organization must be organized exclusively to perform religious, charitable, scientific,

Same as House version. Similar version also added by FA 2. See SECTION __ below .

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literary, or educational purposes and, except as permitted by Subsections (h) and (l), engage exclusively in performing one or more of the following charitable functions:

- (1) providing medical care without regard to the beneficiaries' ability to pay, which in the case of a nonprofit hospital or hospital system means providing charity care and community benefits in accordance with Section 11.1801;
- (2) providing support or relief to orphans, delinquent, dependent, or handicapped children in need of residential care, abused or battered spouses or children in need of temporary shelter, the impoverished, or victims of natural disaster without regard to the beneficiaries' ability to pay;
- (3) providing support to elderly persons, including the provision of recreational or social activities and facilities designed to address the special needs of elderly persons, or to the handicapped, without regard to the beneficiaries' ability to pay;
- (4) preserving a historical landmark or site;
- (5) promoting or operating a museum, zoo, library, theater of the dramatic or performing arts, or symphony orchestra or choir;
- (6) promoting or providing humane treatment of animals;
- (7) acquiring, storing, transporting, selling, or distributing water for public use;
- (8) answering fire alarms and extinguishing fires with no compensation or only nominal compensation to the

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members of the organization;

(9) promoting the athletic development of boys or girls under the age of 18 years;

(10) preserving or conserving wildlife;

(11) promoting educational development through loans or scholarships to students;

(12) providing halfway house services pursuant to a certification as a halfway house by the pardons and paroles division of the Texas Department of Criminal Justice;

(13) providing permanent housing and related social, health care, and educational facilities for persons who are 62 years of age or older without regard to the residents' ability to pay;

(14) promoting or operating an art gallery, museum, or collection, in a permanent location or on tour, that is open to the public;

(15) providing for the organized solicitation and collection for distributions through gifts, grants, and agreements to nonprofit charitable, education, religious, and youth organizations that provide direct human, health, and welfare services;

(16) performing biomedical or scientific research or biomedical or scientific education for the benefit of the public;

(17) operating a television station that produces or broadcasts educational, cultural, or other public interest programming and that receives grants from the Corporation for Public Broadcasting under 47 U.S.C. Section 396, as amended;

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(18) providing housing for low-income and moderate-income families, for unmarried individuals 62 years of age or older, for handicapped individuals, and for families displaced by urban renewal, through the use of trust assets that are irrevocably and, pursuant to a contract entered into before December 31, 1972, contractually dedicated on the sale or disposition of the housing to a charitable organization that performs charitable functions described by Subdivision (9);

(19) providing housing and related services to persons who are 62 years of age or older in a retirement community, if the retirement community provides independent living services, assisted living services, and nursing services to its residents on a single campus:

(A) without regard to the residents' ability to pay; or

(B) in which at least four percent of the retirement community's combined net resident revenue is provided in charitable care to its residents; [øø]

(20) providing housing on a cooperative basis to students of an institution of higher education if:

(A) the organization is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as amended, by being listed as an exempt entity under Section 501(c)(3) of that code;

(B) membership in the organization is open to all students enrolled in the institution and is not limited to those chosen by current members of the organization;

(C) the organization is governed by its members; and

(D) the members of the organization share the responsibility for managing the housing; or

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(21) acquiring, holding, and transferring unimproved real property under an urban land bank demonstration program established under Chapter 379C, Local Government Code, as or on behalf of a land bank.

(o) For purposes of Subsection (a)(2), real property acquired, held, and transferred by an organization that performs the function described by Subsection (d)(21) is considered to be used exclusively by the qualified charitable organization to perform that function.

See SECTION 7 above. Substantially the same as Senate version, except (21) refers to an urban land bank **demonstration** program.

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SECTION __. Section 11.18, Tax Code, is amended by amending Subsection (d) and adding Subsection (o) to read as follows:

(d)A charitable organization must be organized exclusively to perform religious, charitable, scientific, literary, or educational purposes and, except as permitted by Subsections (h) and (1), engage exclusively in performing one or more of the following charitable functions:

(1)providing medical care without regard to the beneficiaries' ability to pay, which in the case of a nonprofit hospital or hospital system means providing charity care and community benefits in accordance with Section 11.1801;

(2)providing support or relief to orphans, delinquent, dependent, or handicapped children in need of residential care, abused or battered spouses or children in need of temporary shelter, the impoverished, or victims of natural disaster without regard to the beneficiaries' ability

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to pay;
(3)providing support to elderly persons, including the provision of recreational or social activities and facilities designed to address the special needs of elderly persons, or to the handicapped, without regard to the beneficiaries' ability to pay;
(4)preserving a historical landmark or site;
(5)promoting or operating a museum, zoo, library, theater of the dramatic or performing arts, or symphony orchestra or choir;
(6)promoting or providing humane treatment of animals;
(7)acquiring, storing, transporting, selling, or distributing water for public use;
(8)answering fire alarms and extinguishing fires with no compensation or only nominal compensation to the members of the organization;
(9)promoting the athletic development of boys or girls under the age of 18 years;
(10)preserving or conserving wildlife;
(11)promoting educational development through loans or scholarships to students;
(12)providing halfway house services pursuant to a certification as a halfway house by the pardons and paroles division of the Texas Department of Criminal Justice;
(13)providing permanent housing and related social, health care, and educational facilities for persons who are 62 years of age or older without regard to the residents' ability to pay;
(14)promoting or operating an art gallery, museum, or

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collection, in a permanent location or on tour, that is open to the public;

(15)providing for the organized solicitation and collection for distributions through gifts, grants, and agreements to nonprofit charitable, education, religious, and youth organizations that provide direct human, health, and welfare services;

(16)performing biomedical or scientific research or biomedical or scientific education for the benefit of the public;

(17)operating a television station that produces or broadcasts educational, cultural, or other public interest programming and that receives grants from the Corporation for Public Broadcasting under 47 U.S.C. Section 396, as amended;

(18)providing housing for low-income and moderate-income families, for unmarried individuals 62 years of age or older, for handicapped individuals, and for families displaced by urban renewal, through the use of trust assets that are irrevocably and, pursuant to a contract entered into before December 31, 1972, contractually dedicated on the sale or disposition of the housing to a charitable organization that performs charitable functions described by Subdivision (9);

(19)providing housing and related services to persons who are 62 years of age or older in a retirement community, if the retirement community provides independent living services, assisted living services, and nursing services to its residents on a single campus:

(A)without regard to the residents' ability to pay; or

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(B)in which at least four percent of the retirement community's combined net resident revenue is provided in charitable care to its residents; ~~[or]~~

(20)providing housing on a cooperative basis to students of an institution of higher education if:

(A)the organization is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as amended, by being listed as an exempt entity under Section 501(c)(3) of that code;

(B)membership in the organization is open to all students enrolled in the institution and is not limited to those chosen by current members of the organization;

(C)the organization is governed by its members; and

(D)the members of the organization share the responsibility for managing the housing; or

(21)acquiring, holding, and transferring unimproved real property under an urban land bank program established under Chapter 379E, Local Government Code, as or on behalf of a land bank.

(o)For purposes of Subsection (a)(2), real property acquired, held, and transferred by an organization that performs the function described by Subsection (d)(21) is considered to be used exclusively by the qualified charitable organization to perform that function.

No equivalent provision.

SECTION __. Section 11.18, Tax Code, as amended by this Act, applies only to an ad valorem tax year that begins on or after the effective date of this Act.

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SECTION 8. (a) Section 361.1875, Health and Safety Code, as amended by this Act, applies only to a site investigation conducted by the Texas Commission on Environmental Quality that begins on or after the effective date of this Act. A site investigation that begins before the effective date of this Act is governed by the law in effect at the time the investigation began, and the former law is continued in effect for that purpose.

(b) Section 361.271(b), Health and Safety Code, as amended by this Act, applies only to an enforcement action initiated by the Texas Commission on Environmental Quality on or after the effective date of this Act. An enforcement action initiated before the effective date of this Act is governed by the law in effect at the time the action was initiated, and the former law is continued in effect for that purpose.

(c) The changes in law made by this Act to Chapter 379C, Local Government Code, apply only to an urban land bank demonstration program operating in conformance with an urban land bank demonstration plan adopted by the governing body of a municipality on or after the effective date of this Act. An urban land bank demonstration program operating in conformance with an urban land bank demonstration plan adopted before the effective date of this Act is governed by the law in effect at the time the plan was adopted until a subsequent plan is adopted, and the former law is continued in effect for that purpose.

(d) Section 11.18, Tax Code, as amended by this Act, applies only to an ad valorem tax year that begins on or

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after the effective date of this Act.		
SECTION 9. This Act takes effect September 1, 2007.	Same as House version.	