

By: Lucio, Zaffirini

S.B. No. 990

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of the rural housing land assemblage program.

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

SECTION 1. Subtitle C, Title 12, Local Government Code, is amended by adding Chapter 394A to read as follows:

CHAPTER 394A. RURAL HOUSING LAND ASSEMBLAGE PROGRAM

Sec. 394A.001. SHORT TITLE. This chapter may be cited as the Rural Housing Land Assemblage Program Act.

Sec. 394A.002. DEFINITIONS. In this chapter:

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

(2) "Department" means the Texas Department of Housing and Community Affairs.

(3) "Low-income household" means:

(A) for rental housing, a household with a gross income not to exceed 60 percent of the greater of the area median income or national nonmetropolitan median income, adjusted for household size, as determined annually by the United States Department of Housing and Urban Development; or

(B) for purchased housing, a household with a gross income not to exceed 80 percent of the greater of the area

1 median income or the state median income, adjusted for household
2 size, as determined annually by the United States Department of
3 Housing and Urban Development or by the department based on data
4 from the United States Department of Housing and Urban Development,
5 as appropriate.

6 (4) "Rural county" means a county classified as a
7 rural county by the United States Department of Agriculture for
8 purposes of the rural housing loan programs authorized by the
9 Housing Act of 1949 (42 U.S.C. Section 1471 et seq.).

10 (5) "Rural housing land assemblage entity" means an
11 entity established or designated by the governing bodies of one or
12 more rural municipalities or rural counties for the purpose of
13 implementing and operating a rural housing land assemblage program.

14 (6) "Rural housing land assemblage program" means a
15 program to acquire, hold, and transfer real property under this
16 subchapter for the purpose of providing affordable housing for
17 low-income households.

18 (7) "Rural municipality" means a municipality
19 classified as a rural municipality by the United States Department
20 of Agriculture for purposes of the rural housing loan programs
21 authorized by the Housing Act of 1949 (42 U.S.C. Section 1471 et
22 seq.).

23 Sec. 394A.003. RURAL HOUSING LAND ASSEMBLAGE PROGRAM. The
24 governing bodies of one or more rural municipalities or rural
25 counties may participate in a rural housing land assemblage
26 program. As part of the program, a participating municipality or
27 county shall:

1 (1) enter into interlocal agreements with any other
2 participating municipalities or counties governing the scope and
3 operation of the program, subject to the provisions of this
4 chapter; and

5 (2) establish or designate an entity to serve as the
6 rural housing land assemblage entity in charge of implementing and
7 operating the program.

8 Sec. 394A.004. RURAL HOUSING LAND ASSEMBLAGE ENTITY. A
9 rural housing land assemblage entity may acquire, hold, and
10 transfer, for the purpose of providing affordable housing for
11 low-income households, real property that is not improved with a
12 habitable building or buildings and is otherwise unoccupied.

13 Sec. 394A.005. PRIVATE SALE TO LAND ASSEMBLAGE ENTITY. (a)
14 Notwithstanding any other law and except as provided by Subsection
15 (f), real property that is ordered sold pursuant to foreclosure of a
16 tax lien may be sold in a private sale to a rural housing land
17 assemblage entity by the officer charged with the sale of the
18 property, without first offering the property for sale as otherwise
19 provided by Section 34.01, Tax Code, if:

20 (1) the property is used for the purpose of providing
21 affordable housing as described by Section 394A.004;

22 (2) the market value of the property as appraised by
23 the local appraisal district and as specified in the judgment of
24 foreclosure is less than the total amount due under the judgment,
25 including all taxes, penalties, and interest, plus the value of
26 nontax liens held by a taxing unit and awarded by the judgment,
27 court costs, and the cost of the sale;

1 (3) the property is not improved with a habitable
2 building or buildings and is otherwise unoccupied;

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

5 (5) each municipality or county that participates in
6 the rural housing land assemblage program has executed with the
7 other taxing units that are parties to the tax suit an interlocal
8 agreement that enables those units to agree to participate in the
9 program while retaining the right to withhold consent to the sale of
10 specific properties to the rural housing land assemblage entity.

11 (b) A sale of property for use in connection with the rural
12 housing land assemblage program is a sale for a public purpose.

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

18 (d) For any sale of property under this section, each person
19 who was a defendant to the judgment, or that person's attorney,
20 shall be given, not later than the 60th day before the date of sale,
21 written notice of the proposed method of sale of the property by the
22 officer charged with the sale of the property. Notice shall be
23 given in the manner prescribed by Rule 21a, Texas Rules of Civil
24 Procedure.

25 (e) After receipt of the notice required by Subsection (d)
26 and before the date of the proposed sale, the owner of the property
27 subject to sale may file with the officer charged with the sale a

1 written request that the property not be sold in the manner provided
2 by this section.

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

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

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

17 (i) The deed of conveyance of the property sold to a rural
18 housing land assemblage entity under this section conveys to the
19 entity the right, title, and interest acquired or held by each
20 taxing unit that was a party to the judgment, subject to the right
21 of redemption.

22 Sec. 394A.006. EXEMPTION FROM AD VALOREM TAXATION.
23 Property sold to and held by a rural housing land assemblage entity
24 for subsequent resale is entitled to an exemption from ad valorem
25 taxation for a period not to exceed three years from the date of
26 acquisition. The exemption period may be renewed for a property for
27 an additional period, not to exceed three years, on approval of the

1 governing body of each participating municipality or county and any
2 other taxing unit in which the property is located. Property is
3 entitled to an exemption under this section only during the period
4 the property is held by the rural housing land assemblage entity.

5 Sec. 394A.007. DEPARTMENT RULEMAKING AUTHORITY. The
6 department shall develop and adopt additional guidelines and rules
7 governing the operation of a rural housing land assemblage program,
8 including reporting and audit requirements for rural housing land
9 assemblage entities, affordability terms, additional income
10 targeting, and the imposition of deed and resale restrictions on
11 real property sold under the program to achieve the purpose of
12 providing affordable housing for low-income households.

13 Sec. 394A.008. OPEN RECORDS AND MEETINGS. A rural housing
14 land assemblage entity is subject to Chapters 551 and 552,
15 Government Code.

16 Sec. 394A.009. RECORDS; AUDIT. (a) A rural housing land
17 assemblage entity shall keep accurate minutes of its meetings and
18 shall keep accurate records and books of account that conform with
19 generally accepted principles of accounting and that clearly
20 reflect the income and expenses of the rural housing land
21 assemblage entity and all transactions in relation to its property.

22 (b) A rural housing land assemblage entity shall file with
23 each participating municipality or county not later than the 90th
24 day after the close of the entity's fiscal year annual audited
25 financial statements prepared by a certified public accountant. The
26 financial transactions of the rural housing land assemblage entity
27 are subject to audit by a participating municipality or county and

1 by the department.

2 SECTION 2. This Act takes effect September 1, 2009.