

BILL ANALYSIS

Senate Research Center
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S.B. 992
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Bootstrap Program was established in 1999 to promote and enhance homeownership opportunities for low income families. Since its establishment, two-thirds of the program's funds were dedicated to regions that were assisted by the Economically Distressed Areas Program (EDAP). The rationale behind this was to target a portion of the funds to low-income Texans in the most distressed areas of the state, like those areas assisted by EDAP, so as to address their affordable housing needs. A recent internal agency interpretation of the statute in 2008 limited the use of the two-thirds of Bootstrap funds to counties that have adopted the Model Subdivision Rules.

S.B. 992 was developed in consultation with housing advocates and officials to clarify the legislative intent of the Bootstrap Program by eliminating the Model Subdivision Rule requirement from program eligibility to ensure that distressed regions all over the state can participate in the program.

As proposed, S.B. 992 amends current law relating to allocation of loans made under the owner-builder loan program.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2306.753(d), Government Code, as follows:

(d) Requires that at least two-thirds of the dollar amount of loans made under this subchapter in each fiscal year be made to borrowers whose property is located in a county that is in a census tract that has a median household income that is not greater than 75 percent of the median state household income for the most recent year for which statistics are available, rather than located in a county that is eligible to receive financial assistance under Subchapter K (Assistance to Economically Distressed Areas for Water Supply and Sewer Service Projects), Chapter 17, Water Code.

SECTION 2. Makes application of the change in law made by this Act in amending Section 2306.753, Government Code, prospective.

SECTION 3. Effective date: September 1, 2011.