

By: Menendez

H.B. No. 3491

A BILL TO BE ENTITLED

AN ACT

relating to establishment and functions of certain urban land bank programs.

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

SECTION 1. Section 374.022, Local Government Code, is amended by adding Subsection (c) to read as follows:

(c) An urban renewal agency created under this subchapter may serve as a land bank under Chapter 379E.

SECTION 2. Section 379E.003, Local Government Code, is amended by amending Subdivision (3) and adding Subdivision (4-a) to read as follows:

(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-a) "Property" means real property and includes tax-foreclosed properties and any other type of property conveyed to a land bank under this chapter.

SECTION 3. Section 379E.004, Local Government Code, is amended to read as follows:

Sec. 379E.004. URBAN LAND BANK PROGRAM. (a) The governing body of a municipality may:

(1) adopt an urban land bank program in which the officer charged with selling [~~real~~] property ordered sold pursuant

1 to foreclosure of a tax lien may sell certain eligible [~~real~~
2 property by private sale for purposes of affordable housing
3 development as provided by this chapter;

4 (2) enter into an interlocal agreement with any taxing
5 authority or other governmental entity to allow a type of property
6 other than a tax-foreclosed property to be conveyed to the land
7 bank;

8 (3) approve an urban renewal agency created under
9 Chapter 374 to serve as a land bank; and

10 (4) enter into an interlocal agreement with another
11 municipality to administer a joint urban land bank program under
12 this chapter.

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

17 (c) A land bank established as part of a joint urban land
18 bank program under this chapter may be dissolved by resolution of
19 the governing body of any municipality that is a party to the
20 agreement establishing the land bank. At any time, a participating
21 municipality may withdraw from the agreement establishing the
22 program without requiring a dissolution of the land bank.

23 SECTION 4. Section 379E.007(b), Local Government Code, is
24 amended to read as follows:

25 (b) The city manager or the city manager's designee shall
26 provide notice of the hearing to:

27 (1) all community housing development organizations

1 and to any other known qualified participating developers; and

2 (2) all [~~to~~] neighborhood associations identified by
3 the municipality as serving the neighborhoods in which properties
4 anticipated to be available for sale to the land bank under this
5 chapter are located.

6 SECTION 5. Section 379E.008, Local Government Code, is
7 amended by amending Subsection (a) and adding Subsections (j) and
8 (k) to read as follows:

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

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

20 (2) the property is not improved with a habitable
21 building or buildings, as described by the municipality's health
22 and safety code;

23 (3) there are delinquent taxes on the property for a
24 total of at least two [~~five~~] years; and

25 (4) the municipality has executed with the other
26 taxing units that are parties to the tax suit an interlocal
27 agreement that enables those units to agree to participate in the

1 program while retaining the right to withhold consent to the sale of
2 specific properties to the land bank.

3 (j) Notwithstanding any other law, public property may be
4 conveyed to a land bank without providing prior public notification
5 with the consent of each governmental entity holding an interest in
6 the property.

7 (k) Notwithstanding any other provisions in this section or
8 any other law, a land bank may acquire property through voluntary
9 donations or transfers from private owners.

10 SECTION 6. Chapter 379E, Local Government Code, is amended
11 by adding Section 379E.0081 to read as follows:

12 Sec. 379E.0081. ACQUISITION AND DISPOSAL OF PROPERTY BY
13 LAND BANK. (a) A land bank shall hold in its own name all property
14 conveyed to the land bank. The property must be held for the
15 benefit of any governmental entity establishing or approving the
16 land bank for the purposes of this chapter.

17 (b) A land bank may, at the time the land bank sells or
18 otherwise disposes of property, extinguish all delinquent property
19 taxes owed on the property and all other nontax liens on the
20 property if all affected taxing units enter into an interlocal
21 agreement for that purpose.

22 (c) A land bank:

23 (1) shall inventory and appraise all property held by
24 the land bank, with the appraisal value to be determined by the
25 local county tax appraisal district and the inventory to be
26 maintained as a public record;

27 (2) on the basis of suitability for use, shall

1 organize and classify all property held by the land bank; and
2 (3) may manage, maintain, protect, rent, lease,
3 repair, insure, alter, sell, trade, exchange, or otherwise dispose
4 of any property held by the land bank if the disposition complies
5 with any applicable law or agreement.

6 (d) A land bank may determine the sale price of a property to
7 be sold by the land bank. The proceeds, if any, from the sale of
8 property by a land bank must be:

- 9 (1) used in furtherance of land bank operations;
10 (2) used for the recovery of land bank expenses; and
11 (3) distributed pursuant to a resolution of the
12 governing body of the municipality.

13 (e) A land bank may receive, from the date of the actual sale
14 and for a period to be determined by agreement, a percentage of the
15 property tax revenues of a property sold by the land bank if the
16 affected taxing units agree to assign a portion of that revenue to
17 the land bank.

18 SECTION 7. This Act takes effect September 1, 2011.