

BILL ANALYSIS

C.S.H.B. 2840
By: Giddings
Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that statutes governing the urban land bank demonstration program need to be updated to allow more developers to participate in the program, to make it easier to return undeveloped land to the tax rolls, and to reduce land bank maintenance and administrative costs. C.S.H.B. 2840 seeks to address these concerns by amending current law relating to the urban land bank demonstration program.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2840 amends the Local Government Code, in a provision setting out requirements for a developer to participate in an urban land bank demonstration program, to decrease from three to one the minimum number of housing units a developer is required to have built within the three-year period preceding the submission of a proposal to the land bank seeking to acquire real property from the land bank.

C.S.H.B. 2840 authorizes a land bank, before the completion of the specified period by which it 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, subject to the right of first refusal, to transfer property that the land bank determines is not appropriate for residential development to certain taxing units or to sell such property to a political subdivision or a nonprofit organization. The bill changes the definition of "eligible adjacent property owner," for the purposes of provisions relating to the right of first refusal, to remove the specification that such an owner be a person who has owned the property adjacent to property owned by the land bank and has continuously occupied that property as a primary residence for the two-year period preceding the date of the sale.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2840 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 379C.005, Local Government Code, is amended.

SECTION 2. Section 379C.009, Local Government Code, is amended by amending Subsection (b) and adding Subsections (b-1) and (b-2) to read as follows:

(b) Except as provided by Subsection (b-1), the [The] land bank must sell a property to a qualified participating developer within the four-year period following the date of acquisition for the purpose of construction of affordable housing for sale or rent to low income households.

(b-1) Before the completion of the four-year period described by Subsection (b), the land bank may, subject to Section 379C.0106:

(1) transfer property that the land bank determines is not appropriate for residential development to the taxing units described by Subsection (b); or

(2) sell property described by Subdivision (1) to an entity with the power of eminent domain or to a religious institution.

(b-2) If after four years a qualified participating developer has not purchased the property, subject to Section 379C.0106 the property may be sold as provided by Subsection (b-1)(2) if the land bank determines that the property is not appropriate for residential development, or otherwise 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.

SECTION 3. Section 379C.0106(a), Local Government Code, is amended.

SECTION 4. This Act takes effect September 1, 2013.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

SECTION 2. Section 379C.009, Local Government Code, is amended by amending Subsection (b) and adding Subsections (b-1) and (b-2) to read as follows:

(b) Except as provided by Subsection (b-1), the [The] land bank must sell a property to a qualified participating developer within the four-year period following the date of acquisition for the purpose of construction of affordable housing for sale or rent to low income households.

(b-1) Before the completion of the four-year period described by Subsection (b), the land bank may, subject to Section 379C.0106:

(1) transfer property that the land bank determines is not appropriate for residential development to the taxing units described by Subsection (b); or

(2) sell property described by Subdivision (1) to a political subdivision or a nonprofit organization.

(b-2) If after four 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.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.