

## **BILL ANALYSIS**

Senate Research Center  
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H.B. 2975  
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Intergovernmental Relations  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Interested parties contend that there are cases in which a merger between city and county housing authorities may be beneficial, such as in El Paso County.

H.B. 2975 amends current law relating to the merger of housing authorities in certain municipalities and counties.

### **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 Subchapter B, Chapter 392, Local Government Code, by adding Sections 392.0131 and 392.0161, as follows:

Sec. 392.0131. MERGER OF CERTAIN COUNTY HOUSING AUTHORITIES INTO MUNICIPAL HOUSING AUTHORITIES. (a) Provides that this section applies only to the merger of housing authorities operating in:

(1) a county that has a population of 800,000 or more and is located on the international border; and

(2) a municipality that has a population of more than 600,000 and less than 700,000 and is located in a county described by Subdivision (1).

(b) Provides that the county housing authority is merged into the housing authority for the municipality if the commissioners court of a county described by Subsection (a)(1) and the governing body of a municipality described by Subsection (a)(2) declare by resolutions that there is a need for the county housing authority to consolidate its powers with the municipal housing authority under this chapter.

(c) Authorizes the commissioners court and the governing body of the municipality to adopt a resolution declaring that there is a need for a merger as described by Subsection (b) only if the commissioners court and the governing body of the municipality each find that a merged housing authority would be more efficient or economical than separate county and municipal housing authorities in carrying out the purposes of this chapter.

(d) Prohibits the commissioners court, if a county housing authority has outstanding obligations, from adopting a resolution declaring a need for a merger as described by Subsection (b) unless:

(1) each obligee of the authority and each party to a contract, bond, note, or other obligation of the authority agrees to the substitution of the

municipal housing authority on the contract, bond, note, or other obligation; and

(2) the commissioners of the county housing authority and of the municipal housing authority to be merged each adopt resolutions consenting to the transfer of the rights, contracts, agreements, obligations, and property of the county housing authority to the municipal housing authority.

(e) Provides that in a proceeding involving the validity or enforcement of, or relating to, a contract of a merged housing authority, proof of a resolution adopted under Subsection (b) by the commissioners court of the county and the governing body of the municipality is conclusive evidence that the merged housing authority is authorized to transact business and exercise its powers under this chapter.

(f) Provides that when housing authorities are merged in the manner provided by this section:

(1) the rights, contracts, agreements, obligations, and property of the county housing authority become those of the municipal housing authority;

(2) the county housing authority is required to execute deeds of the property to the municipal housing authority, which is required to file the deeds with the county clerk of the county where the real property is located; and

(3) a person with rights or remedies against the county housing authority may assert, enforce, and prosecute those rights or remedies against the municipal housing authority.

(g) Provides that the vesting of the real property in the municipal housing authority is not contingent on compliance with Subsection (f)(2).

(h) Provides that at the time housing authorities are merged in the manner provided by this section, the county housing authority ceases to exist, except for the purpose of winding up the affairs of the authority and executing the deeds of real property to the municipal housing authority.

Sec. 392.0161. AREA OF OPERATION OF A MERGED HOUSING AUTHORITY. Provides that, notwithstanding Section 392.017(b) (relating to authorizing a municipal housing authority to undertake a housing project outside the boundaries of the municipality in which it is authorized to exercise its powers only under certain circumstances), the area of operation of a merged housing authority is the county in which the authority is created, excluding any part of the county that is within the territorial boundaries of a municipality other than the municipality operating the municipal housing authority into which the county housing authority was merged.

SECTION 2. Amends Section 392.019, Local Government Code, as follows:

Sec. 392.019. EFFECT OF COOPERATION AGREEMENT ON AREA OF OPERATION OF HOUSING AUTHORITY. Authorizes the area of operation of a merged housing authority, in addition to certain other housing authorities, to extend to and include another municipality, county, or other political subdivision of this state, under the terms of a cooperation agreement made under Section 392.059 (Cooperation With Other Governmental Entities or Housing Authorities), regardless of Section 392.0161, in addition to Sections 392.015 (Area of Operation of a County Housing Authority) and 392.016 (Area of Operation of a Regional Housing Authority). Makes nonsubstantive changes.

SECTION 3. Amends Sections 392.063(a) and (c), Local Government Code, as follows:

(a) Authorizes a merged housing authority, in addition to a county or regional housing authority, to borrow money, accept grants, and exercise its powers to provide housing for farmers of low income. Makes nonsubstantive changes.

(c) Authorizes the owner of a farm operated, or worked on, by farmers of low income in need of safe and sanitary housing to file an application with a merged housing authority, in addition to a county or regional housing authority, requesting that the authority provide safe and sanitary housing for the farmers. Requires the housing authority to consider the applications in connection with the formulation of projects or programs to provide housing for farmers of low income. Makes nonsubstantive changes.

SECTION 4. Effective date: upon passage or September 1, 2013.