

BILL ANALYSIS

H.B. 3350
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Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties report that the geographic scope of areas eligible for a homestead preservation district has become too narrow in light of the rapid increase of housing prices in cities such as Austin and increased housing pressures on low-income families in many areas of the city. The parties further note that certain provisions of law are limiting the effectiveness of the state's laws governing homestead preservation districts and reinvestment zones. The goal of H.B. 3350 is to promote and expand opportunities for affordable housing by revising the current laws relating to homestead preservation districts and reinvestment zones.

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

H.B. 3350 amends the Local Government Code to revise the eligibility requirements for an area to be designated a homestead preservation district by removing certain requirements and requiring the area to be composed of census tracts forming a spatially compact area with fewer than 75,000 residents, rather than 25,000 residents, and with a median family income, in each census tract within the area, that is less than 80 percent, rather than 60 percent, of the median family income for the entire municipality.

H.B. 3350 specifies that a homestead preservation reinvestment zone takes effect on the date designated by the municipality in the ordinance designating the reinvestment zone adopted under statutory provisions establishing the contents of a reinvestment zone ordinance, rather than on the date on which the county adopts a final order agreeing to the creation of the zone, the zone boundaries, and the zone termination date and specifying an amount of tax increment to be deposited by the county into the tax increment fund that is equal to the amount of the tax increment specified by the municipality in the ordinance. The bill authorizes a county to participate in a homestead preservation reinvestment zone by adopting such a final order.

H.B. 3350 authorizes the governing body of a municipality by ordinance to designate as a homestead preservation district an eligible area in the municipality to promote and expand the rental of affordable housing and to prevent the involuntary loss of homesteads by existing renters living in the area.

EFFECTIVE DATE

September 1, 2013.