

1-1 By: Giddings (Senate Sponsor - West) H.B. No. 2840  
1-2 (In the Senate - Received from the House May 6, 2013;  
1-3 May 7, 2013, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 14, 2013, reported adversely,  
1-5 with favorable Committee Substitute by the following vote:  
1-6 Yeas 5, Nays 0; May 14, 2013, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Hinojosa	X		
1-10	Nichols	X		
1-11	Garcia	X		
1-12	Paxton	X		
1-13	Taylor	X		

1-14 COMMITTEE SUBSTITUTE FOR H.B. No. 2840 By: Paxton

1-15 A BILL TO BE ENTITLED  
1-16 AN ACT

1-17 relating to the urban land bank demonstration program in certain  
1-18 municipalities.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Section 379C.005, Local Government Code, is  
1-21 amended to read as follows:

1-22 Sec. 379C.005. QUALIFIED PARTICIPATING DEVELOPER. To  
1-23 qualify to participate in an urban land bank demonstration program,  
1-24 a developer must:

1-25 (1) have built one ~~[three]~~ or more housing units  
1-26 within the three-year period preceding the submission of a proposal  
1-27 to the land bank seeking to acquire real property from the land  
1-28 bank;

1-29 (2) have a development plan approved by the  
1-30 municipality for the land bank property; and

1-31 (3) meet any other requirements adopted by the  
1-32 municipality in the urban land bank demonstration plan.

1-33 SECTION 2. Section 379C.009, Local Government Code, is  
1-34 amended by amending Subsection (b) and adding Subsections (b-1) and  
1-35 (b-2) to read as follows:

1-36 (b) Except as provided by Subsection (b-1), the ~~[The]~~ land  
1-37 bank must sell a property to a qualified participating developer  
1-38 within the four-year period following the date of acquisition for  
1-39 the purpose of construction of affordable housing for sale or rent  
1-40 to low income households.

1-41 (b-1) Before the completion of the four-year period  
1-42 described by Subsection (b), the land bank may, subject to Section  
1-43 379C.0106:

1-44 (1) transfer property that the land bank determines is  
1-45 not appropriate for residential development to the taxing units  
1-46 described by Subsection (b); or

1-47 (2) sell property described by Subdivision (1) to a  
1-48 political subdivision or a nonprofit organization.

1-49 (b-2) If after four years a qualified participating  
1-50 developer has not purchased the property, the property shall be  
1-51 transferred from the land bank to the taxing units who were parties  
1-52 to the judgment for disposition as otherwise allowed under the law.

1-53 SECTION 3. Section 379C.0106(a), Local Government Code, is  
1-54 amended to read as follows:

1-55 (a) In this section, "eligible adjacent property owner"  
1-56 means a person who:

1-57 (1) owns property located adjacent to property owned  
1-58 by the land bank; and

1-59 (2) ~~[has owned the adjacent property and continuously~~  
1-60 ~~occupied that property as a primary residence for the two-year~~

2-1 ~~period preceding the date of the sale, and~~

2-2 [~~3~~] satisfies eligibility requirements adopted by  
2-3 the land bank.

2-4 SECTION 4. Chapter 379C, Local Government Code, is amended  
2-5 by adding Section 379C.014 to read as follows:

2-6 Sec. 379C.014. ADDITIONAL AUTHORIZED USE OF LAND BANK  
2-7 PROPERTY. (a) Notwithstanding the other provisions of this  
2-8 chapter, the land bank may sell property to a developer to allow the  
2-9 construction of a grocery store that has at least 6,000 square feet  
2-10 of enclosed space and that offers for sale fresh produce and other  
2-11 food items for home consumption.

2-12 (b) To qualify to purchase property from the land bank under  
2-13 this section, a developer is not required to be a qualified  
2-14 participating developer but must obtain the municipality's  
2-15 approval of a development plan for the land bank property and must  
2-16 develop the property in accordance with the approved development  
2-17 plan.

2-18 (c) A sale under this section within the four-year period  
2-19 following the date of acquisition of the property by the land bank  
2-20 satisfies the requirement under Section 379C.009(b) that the  
2-21 property be sold within that period to a qualified participating  
2-22 developer.

2-23 (d) The land bank may sell property as provided by this  
2-24 section only after granting any rights of first refusal otherwise  
2-25 required by this chapter, and any completed sale under this section  
2-26 remains subject to the right of reverter provided by Section  
2-27 379C.009(d).

2-28 SECTION 5. This Act takes effect September 1, 2013.

2-29 \* \* \* \* \*