1-1 By: N. Gonzalez of El Paso H.B. No. 2975

(Senate Sponsor - Rodriguez)

1-2 1-3 (In the Senate - Received from the House May 9, 2013; May 9, 2013, read first time and referred to Committee on Intergovernmental Relations; May 16, 2013, reported favorably by the following vote: Yeas 5, Nays 0; May 16, 2013, sent to printer.) 1-4 1-5 1-6

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## COMMITTEE VOTE

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

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## A BILL TO BE ENTITLED

AN ACT

relating to the merger of housing authorities in certain municipalities and counties.

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

SECTION 1. Subchapter B, Chapter 392, Local Government Code, is amended by adding Sections 392.0131 and 392.0161 to read as follows:

Sec. 392.0131. MERGER OF CERTAIN COUNTY HOUSING AUTHORITIES INTO MUNICIPAL HOUSING AUTHORITIES. (a) 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) 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, the county housing authority is merged into the housing authority for the municipality.

(c) The commissioners court and the governing body of the municipality may 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) If a county housing authority has outstanding obligations, the commissioners court may not adopt 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) 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.

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2-1 (f) When housing authorities are merged in the manner 2-2 provided by this section:

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(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 shall execute deeds of the property to the municipal housing authority, which shall 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) The vesting of the real property in the municipal housing authority is not contingent on compliance with Subsection (f)(2).

(h) 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

Sec. 392.0161. AREA OF OPERATION OF A MERGED HOUSING AUTHORITY. Notwithstanding Section 392.017(b), 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. Section 392.019, Local Government Code, is amended to read as follows:

Sec. 392.019. EFFECT OF COOPERATION AGREEMENT ON AREA OF OPERATION OF HOUSING AUTHORITY. Regardless of Sections 392.015, [and] 392.016, and 392.0161, the area of operation of a municipal housing authority, a county housing authority, [or] a regional housing authority, or a merged housing authority may 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.

SECTION 3. Sections 392.063(a) and (c), Local Government Code, are amended to read as follows:

- (a) A county, [or regional, or merged housing authority may borrow money, accept grants, and exercise its powers to provide housing for farmers of low income.
- (c) The owner of a farm operated, or worked on, by farmers of low income in need of safe and sanitary housing may file an application with a county, [ex] regional, or merged housing authority requesting that the authority provide safe and sanitary housing for the farmers. The housing authority shall consider the applications in connection with the formulation of projects or programs to provide housing for farmers of low income.

programs to provide housing for farmers of low income.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

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