

AN ACT

relating to homestead preservation districts and reinvestment zones.

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

SECTION 1. Section 373A.051(a), Local Government Code, is amended to read as follows:

(a) To promote and expand the ownership and rental of affordable housing and to prevent the involuntary loss of homesteads by existing homeowners and renters living in the area, the governing body of a municipality by ordinance may designate as a homestead preservation district an area in the municipality that is eligible under Section 373A.052.

SECTION 2. Section 373A.052(a), Local Government Code, is amended to read as follows:

(a) To be designated as a district within a municipality described by Section 373A.003(a) under this subchapter, an area must be composed of census tracts forming a spatially compact area [~~contiguous to a central business district and~~] with:

(1) fewer than 75,000 [~~25,000~~] residents;

(2) [~~fewer than 8,000 households,~~

~~(3) a number of owner-occupied households that does not exceed 50 percent of the total households in the area,~~

~~(4) housing stock at least 55 percent of which was built at least 45 years ago,~~

1 ~~[(5) an unemployment rate that is greater than 10~~
2 ~~percent,~~

3 ~~[(6)]~~ an overall poverty rate that is at least two
4 times the poverty rate for the entire municipality; and

5 (3) ~~[(7)]~~ in each census tract within the area, a
6 median family income that is less than 80 ~~[60]~~ percent of the median
7 family income for the entire municipality.

8 SECTION 3. Section 373A.152, Local Government Code, is
9 amended by adding Subsection (b) to read as follows:

10 (b) A county may participate in a homestead preservation
11 reinvestment zone established by a municipality under Subsection
12 (a) by adopting a final order:

13 (1) agreeing to the creation of the zone, the zone
14 boundaries, and the zone termination date specified by the
15 municipality under Section 373A.1521(1); and

16 (2) specifying an amount of tax increment to be
17 deposited by the county into the tax increment fund that is equal to
18 the amount of the tax increment specified by the municipality under
19 Section 373A.1521(3).

20 SECTION 4. Section 373A.1522, Local Government Code, is
21 amended to read as follows:

22 Sec. 373A.1522. EFFECTIVE DATE OF ZONE. The zone
23 designated by the ordinance adopted under Section 373A.1521 takes
24 effect on the date designated by the municipality in the ordinance
25 adopted under Section 373A.1521 ~~[on which the county adopts a final~~
26 ~~order.~~

27 ~~[(1) agreeing to the creation of the zone, the zone~~

1 ~~boundaries, and the zone termination date specified by the~~
2 ~~municipality under Section 373A.1521(1); and~~

3 ~~[(2) specifying an amount of tax increment to be~~
4 ~~deposited by the county into the tax increment fund that is equal to~~
5 ~~the amount of the tax increment specified by the municipality under~~
6 ~~Section 373A.1521(3)].~~

7 SECTION 5. Section 373A.155(b), Local Government Code, is
8 amended to read as follows:

9 (b) If a county elects to participate in a homestead
10 preservation reinvestment zone, the [The] county shall pay into the
11 tax increment fund for the zone an amount equal to the tax increment
12 paid by the municipality as specified in the order adopted under
13 Section 373A.152 [~~373A.1522~~].

14 SECTION 6. Section 373A.158(a), Local Government Code, is
15 amended to read as follows:

16 (a) If a county elects to participate in a homestead
17 preservation reinvestment zone, the [The] county is the only taxing
18 unit entitled to receive the annual report prepared under Section
19 311.016(a), Tax Code.

20 SECTION 7. This Act takes effect September 1, 2013.

President of the Senate

Speaker of the House

I certify that H.B. No. 3350 was passed by the House on May 10, 2013, by the following vote: Yeas 104, Nays 39, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3350 was passed by the Senate on May 22, 2013, by the following vote: Yeas 21, Nays 10.

Secretary of the Senate

APPROVED: _____

Date

Governor