

BILL ANALYSIS

C.S.H.B. 3691
By: Bernal
Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that a growing number of families in cities across the state are faced with the possibility of losing their homes due to significant increases in property taxes. The parties explain that due to restrictive eligibility requirements many cities are not able to benefit from a tool that can mitigate these increases: the creation of a homestead preservation district. C.S.H.B. 3691 seeks to address this issue by revising the eligibility of certain cities to create a homestead preservation district.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

C.S.H.B. 3691 amends the Local Government Code to replace, for purposes of the applicability of provisions relating to homestead preservation districts and reinvestment zones to a municipality with a population of more than 750,000, the condition that the municipality be located in a uniform state service region with fewer than 550,000 occupied housing units as determined by the most recent United States decennial census with the condition that the municipality have a population of less than two million. The bill clarifies the applicability of certain of those provisions to certain municipalities that have adopted an urban land bank demonstration program under the Urban Land Bank Demonstration Program Act. The bill replaces the condition that an area have an overall poverty rate that is at least two times the poverty rate for the entire municipality to be designated as a homestead preservation district with the condition that the area have an overall poverty rate of at least 25 percent, in addition to the other conditions for such designation.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3691 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 373A.003, Local Government Code, is amended to read as follows:

Sec. 373A.003. APPLICABILITY OF CHAPTER. (a) Except as provided by Subsection (b), this [~~This~~] chapter applies to a municipality with a population of more than 750,000 [~~that is located in a uniform state service region with fewer than 550,000 occupied housing units as determined by the most recent United States decennial census~~].

(b) Subchapter E does not [~~Subchapters A, B, C, and D~~] apply to any municipality with a population of 1.18 million or more which is located predominantly in a county that has a total area of less than 1,000 square miles and has adopted an urban land bank demonstration program under Chapter 379C, Local Government Code.

SECTION 2. Sections 373A.052(a) and (b), Local Government Code, are amended.

SECTION 3. This Act takes effect September 1, 2017.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 373A.003, Local Government Code, is amended to read as follows:

Sec. 373A.003. APPLICABILITY OF CHAPTER. (a) Except as provided by Subsection (b), this [~~This~~] chapter applies to a municipality with a population of more than 750,000 and less than 2 million [~~that is located in a uniform state service region with fewer than 550,000 occupied housing units as determined by the most recent United States decennial census~~].

(b) Subchapter E does not [~~Subchapters A, B, C, and D~~] apply to any municipality with a population of 1.18 million or more which is located predominantly in a county that has a total area of less than 1,000 square miles and has adopted an urban land bank demonstration program under Chapter 379C, Local Government Code.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.