

By: Rosenthal

H.B. No. 2054

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility of certain municipalities to establish homestead preservation districts and reinvestment zones and to certain regulatory prohibitions applicable in those districts and zones.

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

SECTION 1. Section 214.905, Local Government Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) Subsection (b)(2) does not apply to a municipality described by Section 373A.003(a)(2) in relation to a requirement described by Subsection (a) that is proposed for an area served under the provisions of Chapter 373A.

SECTION 2. Section 373A.002, Local Government Code, is amended by amending Subdivision (3-a) and adding Subdivision (3-b) to read as follows:

(3-a) "Low income household" means a household with a gross income of not greater than 80 percent of the area median family income, adjusted for household size, for the metropolitan statistical area in which the municipality is located, as determined annually by the United States Department of Housing and Urban Development.

(3-b) "Project costs" has the meaning assigned by Section 311.002(1), Tax Code.

SECTION 3. Section 373A.003(a), Local Government Code, is

1 amended to read as follows:

2 (a) This chapter applies to:

3 (1) a municipality with a population of more than  
4 750,000 that is located in a uniform state service region with fewer  
5 than 550,000 occupied housing units as determined by the most  
6 recent United States decennial census; and

7 (2) a municipality with a population of two million or  
8 more.

9 SECTION 4. Section 373A.052, Local Government Code, is  
10 amended by amending Subsection (a) and adding Subsection (a-1) to  
11 read as follows:

12 (a) To be designated as a district within a municipality  
13 described by Section 373A.003(a)(1) [~~373A.003(a)~~] under this  
14 subchapter, an area must be composed of census tracts forming a  
15 spatially compact area with:

16 (1) fewer than 75,000 residents;

17 (2) an overall poverty rate that is at least two times  
18 the poverty rate for the entire municipality; and

19 (3) in each census tract within the area, a median  
20 family income that is less than 80 percent of the median family  
21 income for the entire municipality.

22 (a-1) To be designated as a district within a municipality  
23 described by Section 373A.003(a)(2) under this subchapter:

24 (1) an area must be composed of census tracts forming a  
25 spatially compact area; and

26 (2) the governing body of the municipality must make  
27 findings by resolution that:

1                    (A) the area will benefit from the inclusion of  
2 low income households;

3                    (B) low-income and moderate-income homeowners  
4 within the area are at risk of losing their homesteads through  
5 displacement; and

6                    (C) the designation will serve one or more  
7 purposes outlined by this chapter.

8            SECTION 5. Section [373A.203](#)(6), Local Government Code, is  
9 repealed.

10           SECTION 6. This Act takes effect September 1, 2019.