

By: Thierry

H.B. No. 3654

A BILL TO BE ENTITLED

AN ACT

relating to the eligibility of certain municipalities to establish  
homestead preservation districts and reinvestment zones.

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

SECTION 1. 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 2. Section 373A.003(a), Local Government Code, is  
amended to read as follows:

(a) This chapter applies to:

(1) 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; and

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

1 SECTION 3. Section 373A.052, Local Government Code, is  
2 amended by amending Subsection (a) and adding Subsection (a-1) to  
3 read as follows:

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

- 8 (1) fewer than 75,000 residents;
- 9 (2) an overall poverty rate that is at least two times  
10 the poverty rate for the entire municipality; and
- 11 (3) in each census tract within the area, a median  
12 family income that is less than 80 percent of the median family  
13 income for the entire municipality.

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

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

18 (2) the governing body of the municipality must make  
19 findings by resolution that:

20 (A) the area will benefit from the inclusion of  
21 low income households;

22 (B) low-income and moderate-income homeowners  
23 within the area are at risk of losing their homesteads through  
24 displacement; and

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

27 SECTION 4. Section 373A.203(6), Local Government Code, is

1 repealed.

2 SECTION 5. This Act takes effect September 1, 2019.