

By: Rose

H.B. No. 4340

A BILL TO BE ENTITLED

AN ACT

relating to the operation of certain urban land bank demonstration programs.

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

SECTION 1. Sections 379C.009(b), (b-1), and (b-2), Local Government Code, are amended to read as follows:

(b) Except as provided by Subsection (b-1), the land bank must sell a property to a qualified participating developer within the eight-year [~~four-year~~] period following the date of acquisition for the purpose of construction of affordable housing for sale or rent to low income households.

(b-1) Before the completion of the eight-year [~~four-year~~] period described by Subsection (b), the land bank may, subject to Section 379C.0106:

(1) transfer property that the land bank determines is not appropriate for residential development to the taxing units described by Subsection (b-2) [~~(b)~~]; or

(2) sell property described by Subdivision (1) to a political subdivision or a nonprofit organization.

(b-2) If after eight [~~four~~] years a qualified participating developer has not purchased the property, the property shall be transferred from the land bank to the taxing units who were parties to the judgment for disposition as otherwise allowed under the law.

SECTION 2. Section 379C.010(c), Local Government Code, is

1 amended to read as follows:

2 (c) If property is developed for rental housing, the deed
3 restrictions must be for a period of not less than 15 years and must
4 require that 20 [÷

5 [~~(1) 100~~] percent of the rental units be occupied by
6 low income households [~~with incomes not greater than 60 percent of~~
7 ~~area median family income, based on gross household income,~~
8 ~~adjusted for household size, for the metropolitan statistical area~~
9 ~~in which the municipality is located, as determined annually by the~~
10 ~~United States Department of Housing and Urban Development,~~

11 [~~(2) 40 percent of the units be occupied by households~~
12 ~~with incomes not greater than 50 percent of area median family~~
13 ~~income, based on gross household income, adjusted for household~~
14 ~~size, for the metropolitan statistical area in which the~~
15 ~~municipality is located, as determined annually by the United~~
16 ~~States Department of Housing and Urban Development, or~~

17 [~~(3) 20 percent of the units be occupied by households~~
18 ~~with incomes not greater than 30 percent of area median family~~
19 ~~income, based on gross household income, adjusted for household~~
20 ~~size, for the metropolitan statistical area in which the~~
21 ~~municipality is located, as determined annually by the United~~
22 ~~States Department of Housing and Urban Development].~~

23 SECTION 3. Section [379C.014](#)(c), Local Government Code, is
24 amended to read as follows:

25 (c) A sale under this section within the eight-year
26 [~~four-year~~] period following the date of acquisition of the
27 property by the land bank is for a public purpose and satisfies the

1 requirement under Section 379C.009(b) that the property be sold
2 within the eight-year [~~four-year~~] period to a qualified
3 participating developer.

4 SECTION 4. Chapter 379C, Local Government Code, is amended
5 by adding Section 379C.016 to read as follows:

6 Sec. 379C.016. ALLOCATION AND USE OF AD VALOREM TAXES
7 COLLECTED ON PROPERTY DEVELOPED UNDER PROGRAM. An interlocal
8 agreement under Section 379C.008(a)(4) may provide that, for the
9 first five calendar years occurring after the date of completion of
10 the development of a property acquired by a qualified participating
11 developer under this chapter, 50 percent of the ad valorem taxes
12 collected on the property must be deposited to the credit of the
13 land bank for the use of the program.

14 SECTION 5. Section 379C.010(c), Local Government Code, as
15 amended by this Act, applies only to property purchased from a land
16 bank by a qualified participating developer on or after the
17 effective date of this Act.

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