By:  Garcia, Shine, Lopez of Bexar, Thierry, H.B. No. 2476

     Morales Shaw, et al.

A BILL TO BE ENTITLED

AN ACT

relating to the adoption of a veterans' land bank program by the Texas State Affordable Housing Corporation.

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

SECTION 1.  Section 2306.566(c), Government Code, is amended to read as follows:

(c)  The corporation's plan must include:

(1)  specific proposals to help serve rural and other underserved areas of the state; and

(2)  the veterans' land bank plan developed under Section 2306.5622.

SECTION 2.  Subchapter Y, Chapter 2306, Government Code, is amended by adding Section 2306.5622 to read as follows:

Sec. 2306.5622.  VETERANS' LAND BANK PROGRAM. (a) In this section:

(1)  "Affordable" means that the monthly mortgage payment or contract rent does not exceed 30 percent of the applicable median family income for that housing unit size, in accordance with the income and rent limit rules adopted by the department.

(2)  "Low-income household" means a household with an income of not greater than 80 percent of the area median family income, based on gross household income, adjusted for household size, for a municipality or, if located in an area that is not part of a municipality, a county, as determined annually by the United States Department of Housing and Urban Development.

(3)  "Veteran" has the meaning provided by Section 161.001, Natural Resources Code.

(4)  "Veterans' land bank plan" or "plan" means a plan adopted by the corporation as provided by Subsection (f).

(5)  "Veterans' land bank program" or "program" means a program adopted under Subsection (c).

(b)  This section controls to the extent of any conflict between this section and another provision of this chapter.

(c)  The corporation shall establish a veterans' land bank program for the purpose of acquiring, holding, and transferring real property under this section to provide affordable housing for veterans who are members of low-income households.

(d)  Property held by the corporation under the program may include:

(1)  property acquired in the manner provided by Subsection (g); and

(2)  other property acquired by or transferred to the corporation.

(e)  A sale or other transfer of property for use in connection with the program is a sale for a public purpose.

(f)  The corporation shall operate the program in conformance with a veterans' land bank plan. The corporation shall adopt a plan annually. The plan may be amended from time to time. In developing the plan, the corporation shall consider any other housing plans adopted by a municipality or county in which the corporation intends to implement the program.

(g)  Property that is ordered sold pursuant to foreclosure of a tax lien may be sold to the corporation for the purpose of the program in the manner provided by Section 34.01, Tax Code.

(h)  Notwithstanding any other law, if consent is given by the taxing units that are a party to the judgment, property may be sold to the corporation for the program for less than the market value of the property as specified in the judgment or less than the total of all taxes, penalties, and interest, plus the value of nontax liens held by a taxing unit and awarded by the judgment, court costs, and the cost of the sale.

(i)  The deed of conveyance of the property sold to the corporation under Subsection (g) conveys to the corporation the right, title, and interest acquired or held by each taxing unit that was a party to the judgment, subject to the right of redemption.

(j)  Each subsequent resale by the corporation of a property under the program must comply with the conditions of this subsection. Within the 10-year period following the date of acquisition, the corporation must sell a property to a veteran who is a member of a low-income household. If after 10 years a qualified veteran has not purchased the property, the property shall be transferred from the corporation to the taxing units who were parties to the judgment for disposition as otherwise allowed under the law.

(k)  The corporation shall impose, in accordance with this subsection, deed restrictions on property sold to veterans through the program requiring the subsequent sale or rental of the property to veterans who are members of low-income households. Except as otherwise provided by this subsection, if the deed restrictions imposed under this subsection are for a term of years, the deed restrictions renew automatically. The corporation may modify or add to the deed restrictions imposed under this subsection. Any modifications or additions made by the corporation must be adopted by the corporation as part of its plan and must comply with the minimum requirements provided under this subsection.

(l)  For purposes of evaluating the effectiveness of the program, the corporation shall prepare an annual performance report not later than November 1 of each year. The performance report must include:

(1)  a complete and detailed written accounting of all money and properties received and disbursed by the corporation through the program during the preceding state fiscal year;

(2)  for each property acquired by the corporation for the program during the preceding state fiscal year:

(A)  the street address of the property;

(B)  the legal description of the property;

(C)  the date the corporation took title to the property;

(D)  the name and mailing address of the property owner of record at the time of the acquisition;

(E)  the amount of taxes and other costs owed at the time of the foreclosure if the property was acquired under Subsection (g); and

(F)  the assessed value of the property on the tax roll at the time of the foreclosure if the property was acquired under Subsection (g); and

(3)  for each property sold by the corporation through the program during the preceding state fiscal year:

(A)  the street address of the property;

(B)  the legal description of the property; and

(C)  the price paid by the purchaser.

(m)  The corporation shall provide copies of the performance report to any taxing units who were parties to a sale of property under Subsection (g). The corporation shall maintain copies of the performance report available for public review.

(n)  The corporation shall maintain in its records for inspection a copy of the sale settlement statement for each property sold through the veterans' land bank program.

SECTION 3.  Sections 11.18(d) and (o), Tax Code, are amended to read as follows:

(d)  A charitable organization must be organized exclusively to perform religious, charitable, scientific, literary, or educational purposes and, except as permitted by Subsections (h) and (l), engage exclusively in performing one or more of the following charitable functions:

(1)  providing medical care without regard to the beneficiaries' ability to pay, which in the case of a nonprofit hospital or hospital system means providing charity care and community benefits in accordance with Section 11.1801;

(2)  providing support or relief to orphans, delinquent, dependent, or handicapped children in need of residential care, abused or battered spouses or children in need of temporary shelter, the impoverished, or victims of natural disaster without regard to the beneficiaries' ability to pay;

(3)  providing support without regard to the beneficiaries' ability to pay to:

(A)  elderly persons, including the provision of:

(i)  recreational or social activities; and

(ii)  facilities designed to address the special needs of elderly persons; or

(B)  the handicapped, including training and employment:

(i)  in the production of commodities; or

(ii)  in the provision of services under 41 U.S.C. Sections 8501-8506;

(4)  preserving a historical landmark or site;

(5)  promoting or operating a museum, zoo, library, theater of the dramatic or performing arts, or symphony orchestra or choir;

(6)  promoting or providing humane treatment of animals;

(7)  acquiring, storing, transporting, selling, or distributing water for public use;

(8)  answering fire alarms and extinguishing fires with no compensation or only nominal compensation to the members of the organization;

(9)  promoting the athletic development of boys or girls under the age of 18 years;

(10)  preserving or conserving wildlife;

(11)  promoting educational development through loans or scholarships to students;

(12)  providing halfway house services pursuant to a certification as a halfway house by the parole division of the Texas Department of Criminal Justice;

(13)  providing permanent housing and related social, health care, and educational facilities for persons who are 62 years of age or older without regard to the residents' ability to pay;

(14)  promoting or operating an art gallery, museum, or collection, in a permanent location or on tour, that is open to the public;

(15)  providing for the organized solicitation and collection for distributions through gifts, grants, and agreements to nonprofit charitable, education, religious, and youth organizations that provide direct human, health, and welfare services;

(16)  performing biomedical or scientific research or biomedical or scientific education for the benefit of the public;

(17)  operating a television station that produces or broadcasts educational, cultural, or other public interest programming and that receives grants from the Corporation for Public Broadcasting under 47 U.S.C. Section 396, as amended;

(18)  providing housing for low-income and moderate-income families, for unmarried individuals 62 years of age or older, for handicapped individuals, and for families displaced by urban renewal, through the use of trust assets that are irrevocably and, pursuant to a contract entered into before December 31, 1972, contractually dedicated on the sale or disposition of the housing to a charitable organization that performs charitable functions described by Subdivision (9);

(19)  providing housing and related services to persons who are 62 years of age or older in a retirement community, if the retirement community provides independent living services, assisted living services, and nursing services to its residents on a single campus:

(A)  without regard to the residents' ability to pay; or

(B)  in which at least four percent of the retirement community's combined net resident revenue is provided in charitable care to its residents;

(20)  providing housing on a cooperative basis to students of an institution of higher education if:

(A)  the organization is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as amended, by being listed as an exempt entity under Section 501(c)(3) of that code;

(B)  membership in the organization is open to all students enrolled in the institution and is not limited to those chosen by current members of the organization;

(C)  the organization is governed by its members; and

(D)  the members of the organization share the responsibility for managing the housing;

(21)  acquiring, holding, and transferring unimproved real property under an urban land bank demonstration program established under Chapter 379C, Local Government Code, as or on behalf of a land bank;

(22)  acquiring, holding, and transferring unimproved real property under an urban land bank program established under Chapter 379E, Local Government Code, as or on behalf of a land bank;

(22-a)  acquiring, holding, and transferring unimproved real property under a veterans' land bank program established under Section 2306.5622, Government Code, as or on behalf of the Texas State Affordable Housing Corporation;

(23)  providing housing and related services to individuals who:

(A)  are unaccompanied and homeless and have a disabling condition; and

(B)  have been continuously homeless for a year or more or have had at least four episodes of homelessness in the preceding three years;

(24)  operating a radio station that broadcasts educational, cultural, or other public interest programming, including classical music, and that in the preceding five years has received or been selected to receive one or more grants from the Corporation for Public Broadcasting under 47 U.S.C. Section 396, as amended; or

(25)  providing, without regard to the beneficiaries' ability to pay, tax return preparation services and assistance with other financial matters.

(o)  For purposes of Subsection (a)(2), real property acquired, held, and transferred by an organization that performs the function described by Subsection (d)(21), [~~or~~] (22), or (22-a) is considered to be used exclusively by the qualified charitable organization to perform that function.

SECTION 4.  Section 11.18, Tax Code, as amended by this Act, applies only to an ad valorem tax year that begins on or after the effective date of this Act.

SECTION 5.  This Act takes effect September 1, 2023.