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H.B. No. 2476

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

7 (c) The corporation's plan must include:

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

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

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

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

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

21 (2) "Low-income household" means a household with an  
22 income of not greater than 80 percent of the area median family  
23 income, based on gross household income, adjusted for household  
24 size, for a municipality or, if located in an area that is not part

1 of a municipality, a county, as determined annually by the United  
2 States Department of Housing and Urban Development.

3 (3) "Veteran" has the meaning provided by Section  
4 161.001, Natural Resources Code.

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

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

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

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

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

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

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

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

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

1 corporation intends to implement the program.

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

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

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

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

25 (k) The corporation shall impose, in accordance with this  
26 subsection, deed restrictions on property sold to veterans through  
27 the program requiring the subsequent sale or rental of the property

1 to veterans who are members of low-income households. Except as  
2 otherwise provided by this subsection, if the deed restrictions  
3 imposed under this subsection are for a term of years, the deed  
4 restrictions renew automatically. The corporation may modify or  
5 add to the deed restrictions imposed under this subsection. Any  
6 modifications or additions made by the corporation must be adopted  
7 by the corporation as part of its plan and must comply with the  
8 minimum requirements provided under this subsection.

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

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

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

18 (A) the street address of the property;

19 (B) the legal description of the property;

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

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

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

27 (F) the assessed value of the property on the tax

1 roll at the time of the foreclosure if the property was acquired  
2 under Subsection (g); and

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

5 (A) the street address of the property;

6 (B) the legal description of the property; and

7 (C) the price paid by the purchaser.

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

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

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

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

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

26 (2) providing support or relief to orphans,  
27 delinquent, dependent, or handicapped children in need of

1 residential care, abused or battered spouses or children in need of  
2 temporary shelter, the impoverished, or victims of natural disaster  
3 without regard to the beneficiaries' ability to pay;

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

6 (A) elderly persons, including the provision of:

7 (i) recreational or social activities; and

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

10 (B) the handicapped, including training and  
11 employment:

12 (i) in the production of commodities; or

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

15 (4) preserving a historical landmark or site;

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

19 (6) promoting or providing humane treatment of  
20 animals;

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

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

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

- 1           (10) preserving or conserving wildlife;
- 2           (11) promoting educational development through loans  
3 or scholarships to students;
- 4           (12) providing halfway house services pursuant to a  
5 certification as a halfway house by the parole division of the Texas  
6 Department of Criminal Justice;
- 7           (13) providing permanent housing and related social,  
8 health care, and educational facilities for persons who are 62  
9 years of age or older without regard to the residents' ability to  
10 pay;
- 11          (14) promoting or operating an art gallery, museum, or  
12 collection, in a permanent location or on tour, that is open to the  
13 public;
- 14          (15) providing for the organized solicitation and  
15 collection for distributions through gifts, grants, and agreements  
16 to nonprofit charitable, education, religious, and youth  
17 organizations that provide direct human, health, and welfare  
18 services;
- 19          (16) performing biomedical or scientific research or  
20 biomedical or scientific education for the benefit of the public;
- 21          (17) operating a television station that produces or  
22 broadcasts educational, cultural, or other public interest  
23 programming and that receives grants from the Corporation for  
24 Public Broadcasting under 47 U.S.C. Section 396, as amended;
- 25          (18) providing housing for low-income and  
26 moderate-income families, for unmarried individuals 62 years of age  
27 or older, for handicapped individuals, and for families displaced

1 by urban renewal, through the use of trust assets that are  
2 irrevocably and, pursuant to a contract entered into before  
3 December 31, 1972, contractually dedicated on the sale or  
4 disposition of the housing to a charitable organization that  
5 performs charitable functions described by Subdivision (9);

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

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

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

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

18 (A) the organization is exempt from federal  
19 income taxation under Section 501(a), Internal Revenue Code of  
20 1986, as amended, by being listed as an exempt entity under Section  
21 501(c)(3) of that code;

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

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

27 (D) the members of the organization share the



1 responsibility for managing the housing;

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

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

9 (22-a) acquiring, holding, and transferring  
10 unimproved real property under a veterans' land bank program  
11 established under Section 2306.5622, Government Code, as or on  
12 behalf of the Texas State Affordable Housing Corporation;

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

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

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

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

26 (25) providing, without regard to the beneficiaries'  
27 ability to pay, tax return preparation services and assistance with

1 other financial matters.

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

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

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