

By: Garcia of Bexar

H.B. No. 1608

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

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

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

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

20 (3) "Veteran" has the meaning provided by Section
21 161.001, Natural Resources Code.

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

24 (5) "Veterans' land bank program" or "program" means a

1 program adopted under Subsection (c).

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

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

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

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

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

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

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

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

26 (h) Notwithstanding any other law, if consent is given by
27 the taxing units that are a party to the judgment, property may be

1 sold to the corporation for the program for less than the market
2 value of the property as specified in the judgment or less than the
3 total of all taxes, penalties, and interest, plus the value of
4 nontax liens held by a taxing unit and awarded by the judgment,
5 court costs, and the cost of the sale.

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

10 (j) Each subsequent resale or rental of a property owned by
11 the corporation under the program must comply with the conditions
12 of this subsection. Within the 10-year period following the date of
13 acquisition, the corporation must sell or rent a property to a
14 veteran who is a member of a low-income household. If after 10
15 years a property has not been purchased by a qualified veteran or
16 has not been leased to a qualified veteran within the preceding six
17 months, the property shall be transferred from the corporation to
18 the taxing units who were parties to the judgment for disposition as
19 otherwise allowed under the law.

20 (k) The corporation shall impose, in accordance with this
21 subsection, deed restrictions on property sold or rented to
22 veterans through the program requiring the subsequent sale or
23 rental of the property to veterans who are members of low-income
24 households. Except as otherwise provided by this subsection, if
25 the deed restrictions imposed under this subsection are for a term
26 of years, the deed restrictions renew automatically. The
27 corporation may modify or add to the deed restrictions imposed

1 under this subsection. Any modifications or additions made by the
2 corporation must be adopted by the corporation as part of its plan
3 and must comply with the minimum requirements provided under this
4 subsection.

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

9 (1) for the preceding state fiscal year, a complete
10 and detailed written accounting of all money received and disbursed
11 by the corporation under the program and of all properties managed
12 by the corporation under the program;

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

15 (A) the street address of the property;

16 (B) the legal description of the property;

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

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

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

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

27 (3) for each property that the corporation sold or

1 rented to a qualified veteran under the program during the
2 preceding state fiscal year:

- 3 (A) the street address of the property;
4 (B) the legal description of the property; and
5 (C) the purchase price or amount of contract rent
6 paid by the veteran.

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

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

14 SECTION 2. Section 2306.566(c), Government Code, is amended
15 to read as follows:

- 16 (c) The corporation's plan must include:
17 (1) specific proposals to help serve rural and other
18 underserved areas of the state; and
19 (2) the veterans' land bank plan developed under
20 Section 2306.5622.

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

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

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

5 (2) providing support or relief to orphans, delinquent
6 or dependent children in need of residential care, children with
7 disabilities in need of residential care, abused or battered
8 spouses or children in need of temporary shelter, the impoverished,
9 or victims of natural disaster without regard to the beneficiaries'
10 ability to pay;

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

13 (A) elderly persons, including the provision of:
14 (i) recreational or social activities; and
15 (ii) facilities designed to address the
16 special needs of elderly persons; or

17 (B) persons with disabilities, including
18 training and employment:

19 (i) in the production of commodities; or
20 (ii) in the provision of services under 41
21 U.S.C. Sections 8501-8506;

22 (4) preserving a historical landmark or site;

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

26 (6) promoting or providing humane treatment of
27 animals;

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

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

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

8 (10) preserving or conserving wildlife;

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

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

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

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

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

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

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

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

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

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

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

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

25 (A) the organization is exempt from federal
26 income taxation under Section 501(a), Internal Revenue Code of
27 1986, as amended, by being listed as an exempt entity under Section

1 501(c)(3) of that code;

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

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

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

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

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

16 (22-a) acquiring, holding, and transferring
17 unimproved real property under a veterans' land bank program
18 established under Section 2306.5622, Government Code, as or on
19 behalf of the Texas State Affordable Housing Corporation;

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

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

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

27 (24) operating a radio station that broadcasts

1 educational, cultural, or other public interest programming,
2 including classical music, and that in the preceding five years has
3 received or been selected to receive one or more grants from the
4 Corporation for Public Broadcasting under 47 U.S.C. Section 396, as
5 amended;

6 (25) providing, without regard to the beneficiaries'
7 ability to pay, tax return preparation services and assistance with
8 other financial matters; or

9 (26) providing services related to planning for the
10 placement of or placing children in foster or adoptive homes or
11 providing support or relief to women who are or may be pregnant and
12 who are considering placing their unborn children for adoption.

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

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

21 SECTION 5. This Act takes effect September 1, 2025.