

## **BILL ANALYSIS**

Senate Research Center  
83R28749 AJZ-F

C.S.H.B. 2840  
By: Giddings (West)  
Intergovernmental Relations  
5/13/2013  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Periodic updates have been needed since the Dallas urban land bank statute was passed to allow more developers to participate in the program, to make it easier to return undeveloped land to the tax rolls, and to reduce land bank maintenance and administrative costs.

C.S.H.B. 2840 amends current law relating to the urban land bank demonstration program in certain municipalities.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 379C.005, Local Government Code, to require a developer, to qualify to participate in an urban land bank demonstration program, to meet certain criteria, including having built one or more, rather than three or more, housing units within the three-year period preceding the submission of a proposal to the land bank seeking to acquire real property from the land bank.

SECTION 2. Amends Section 379C.009, Local Government Code, by amending Subsection (b) and adding Subsections (b-1) and (b-2), as follows:

(b) Requires the land bank, except as provided by Subsection (b-1), to sell a property to a qualified participating developer within the 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) Authorizes the land bank, before the completion of the four-year period described by Subsection (b), to, subject to Section 379C.0106 (Property Determined to be Inappropriate for Residential Development: Right of First Refusal):

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

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

(b-2) Creates this subsection from existing text. Makes no further change to this subsection.

SECTION 3. Amends Section 379C.0106(a), Local Government Code, to redefine "eligible adjacent property owner" in this section.

SECTION 4. Amends Chapter 379C, Local Government Code, by adding Section 379C.014, as follows:

Sec. 379C.014. ADDITIONAL AUTHORIZED USE OF LAND BANK PROPERTY.

(a) Authorizes the land bank, notwithstanding the other provisions of this chapter, to sell property to a developer to allow the construction of a grocery store that has at least 6,000 square feet of enclosed space and that offers for sale fresh produce and other food items for home consumption.

(b) Provides that to qualify to purchase property from the land bank under this section, a developer is not required to be a qualified participating developer but is required to obtain the municipality's approval of a development plan for the land bank property and is required to develop the property in accordance with the approved development plan.

(c) Provides that a sale under this section within the four-year period following the date of acquisition of the property by the land bank satisfies the requirement under Section 379C.009(b) that the property be sold within that period to a qualified participating developer.

(d) Authorizes the land bank to sell property as provided by this section only after granting any rights of first refusal otherwise required by this chapter, and any completed sale under this section remains subject to the right of reverter provided by Section 379C.009(d) (relating to requiring that the deed conveying a property sold by the land bank include a right of reverter so that if the qualified participating developer does not apply for a construction permit and close on any construction financing within the three-year period following the date of the conveyance of the property from the land bank to the qualified participating developer, the property will revert to the land bank for subsequent resale in accordance with this chapter or conveyance to the taxing units who were parties to the judgment for disposition as otherwise allowed under the law; and providing that if the property is replatted under Section 379C.0107, the right of reverter applies to the entire property as replatted).

SECTION 5. Effective date: September 1, 2013.