

BILL ANALYSIS

Senate Research Center
79R14057 QS-D

C.S.S.B. 628
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Intergovernmental Relations
4/25/2005
Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The 78th Legislature, Regular Session, 2003, passed a demonstration program that allowed a home-rule municipality having a population of 1.18 million or more and predominantly located in a county with a total area of less than 1,000 square miles to adopt and establish an "Urban Land Bank Demonstration Program in an effort to address the increasing shortage of affordable housing." Under such brackets, the City of Dallas was the only municipality that could establish an Urban Land Bank to address affordable housing problems. Land banks provide an opportunity for cities to address the dual problems of insufficient low-income housing and decaying neighborhoods by turning tax-delinquent properties into affordable housing.

C.S.S.B. 628 removes the existing 1.18 million population bracket in Chapter 379C, Local Government Code, allowing municipalities with populations greater than 100,000 to establish Urban Land Banks to address increasing affordable housing needs.

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 the heading to Chapter 379C, Local Government Code, to read as follows:

CHAPTER 379C. URBAN LAND BANK PROGRAM

SECTION 2. Amends Section 379C.001, Local Government Code, to make a conforming change.

SECTION 3. Amends Section 379C.002, Local Government Code, to provide that this chapter is applicable only to a municipality with a population of 100,000 or more, rather than a home-rule municipality with a population of 1.18 million or more and located predominately in a county that has a total area of less than 1,000 square miles.

SECTION 4. Amends Section 379C.003, Local Government Code, by amending Subdivisions (1), (5), and (6) and adding Subdivision (1-a), to define "affordable," "urban land bank plan" or "plan," and "urban land bank program" or "program."

SECTION 5. Amends Section 379C.004, Local Government Code, to make conforming changes.

SECTION 6. Amends Section 379C.005, Local Government Code, to require a developer, to qualify to participate in an urban land bank program (program), to have developed, rather than built, 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. Makes conforming changes.

SECTION 7. Amends the heading to Section 379C.006, Local Government Code, to make a conforming change.

SECTION 8. Amends Sections 379C.006(a) and (b), Local Government Code, to make conforming changes.

SECTION 9. Amends Section 379C.008, Local Government Code, by amending Subsection (a) and adding Subsection (j), as follows:

(a) Authorizes property that is sold pursuant to foreclosure of a tax lien, notwithstanding any other law and except as provided by Subsection (j), to be sold in a private sale to a land bank by the officer charged with the sale of the property without first offering the property for sale as otherwise provided by Section 34.01, Tax Code, if there are delinquent taxes on the property for a total of at least five, rather than each of the preceding six, years.

(j) Provides that property sold to and held by the land bank for subsequent resale is eligible for an exemption from ad valorem taxes for a period not to exceed three years from the date of acquisition.

SECTION 10. Amends Section 379C.010(c), Local Government Code, to require that the deed restrictions, if property is developed for rental housing, to be for a period of 20 years, rather than 15 years, and to require that 100 percent of the rental units be occupied by and affordable to households with certain incomes, based on gross household size, for the metropolitan statistical area in which the municipality is located, as determined annually by the United States Department of Housing and Urban Development. Makes conforming changes.

SECTION 11. Amends Section 379C.011, Local Government Code, by amending Subsections (a) and (c) and adding Subsection (d-1), as follows:

(a) Redefines "qualified organization" to mean a community housing development organization that within the preceding three-year, rather than a two-year, period has developed, rather than built, or rehabilitated housing units within two, rather than one-half, mile radius of the property that the land bank is offering for sale.

(c) Requires notice to be provided to the qualified organizations by certified mail, return receipt requested, not later than the 60th day before the beginning of the period in which a right of first refusal may be exercised.

(d-1) Requires the interlocal agreement executed under Section 379C.008(a)(4), if the land bank conveys the property to a qualified organization before the expiration of the period specified by the municipality under Subsection (d), to provide tax abatement for the property until the expiration of that period.

SECTION 12. Makes application of this Act prospective.

SECTION 13. Effective date: September 1, 2005.