

## **BILL ANALYSIS**

Senate Research Center

S.B. 267  
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Business & Commerce  
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Enrolled

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

Recently, a Texas city passed an ordinance to create a protected class based on “source of income.” These ordinances in effect require owners to participate in programs such as the federal Housing Choice Voucher Program, commonly known as Section 8.

The Section 8 program is funded by the United States Department of Housing and Urban Development (HUD). In Texas, the program is administered by the Texas Department of Housing and Community Affairs.

The Section 8 program is essential to ensuring that very low income individuals and families can get housing. Many rental property owners who are used to dealing with the intricacies of the Section 8 program and the housing authorities that administer the program are able to work with it successfully and do not experience problems.

Other rental property owners choose not to participate in the program because they do not want to comply with the regulations and requirements that participating in Section 8 requires. Once a property owner participates in the Section 8 program, HUD has the discretion to withhold rent, inspect apartments, control rent increases, and mandate utility allowances.

Section 214.903 of the Texas Local Government Code, which was passed in 1991, has been interpreted to prohibit cities from passing ordinances expanding fair housing protected classes. However, the law is not explicitly clear, so legislation is necessary to bring clarity on this issue.

S.B. 267 clearly states that cities and counties may not pass an ordinance or regulation that prohibits a rental property owner or the owner's agent from having the right to choose whether to rent housing to someone based on the person's lawful source of income, including a federal housing choice voucher.

S.B. 267 amends current law relating to the regulation by a municipality or county of the rental or leasing of housing accommodations.

### **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 Chapter 250, Local Government Code, by adding Section 250.007, as follows:

Sec. 250.007. REGULATION OF RENTAL OR LEASING OF HOUSING ACCOMMODATIONS. (a) Prohibits a municipality or county, except as provided by this section, from adopting or enforcing an ordinance or regulation that prohibits an owner, lessee, sublessee, assignee, managing agent, or other person having the right to lease, sublease, or rent a housing accommodation from refusing to lease or rent the housing accommodation to a person because the person's lawful source of income to pay rent includes funding from a federal housing assistance program.

(b) Provides that this section does not affect an ordinance or regulation that prohibits the refusal to lease or rent a housing accommodation to a military veteran because of the veteran's lawful source of income to pay rent.

(c) Provides that this section does not affect any authority of a municipality or county or decree to create or implement an incentive, contract commitment, density bonus, or other voluntary program designed to encourage the acceptance of a housing voucher directly or indirectly funded by the federal government, including a federal housing choice voucher.

SECTION 2. Effective date: upon passage or September 1, 2015.