

BILL ANALYSIS

Senate Research Center

H.B. 3281
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Intergovernmental Relations
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current statute allows for municipalities to form homestead preservation districts and reinvestment zones to help spur economic development in low-income areas. These districts help these families avoid losing their homes due the rising home values in disadvantaged neighborhoods.

When these districts were created in 2005, they were bracketed to municipalities with fewer than 550,000 occupied housing units. While the original population bracket has been updated, the housing unit component has not been updated, causing the City of Austin to outgrow the bracket. H.B. 3281 updates this component of the bracket to bring the City of Austin back into the bracket. This does not affect any other municipalities.

H.B. 3281 amends current law relating to the eligibility of certain municipalities to establish homestead preservation districts and reinvestment zones.

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 373A.003, Local Government Code, by amending Subsection (a) and adding Subsections (a-1) and (c), as follows:

(a) Provides that this chapter (Homestead Preservation Districts and Reinvestment Zones) applies to a municipality with a population of more than 750,000 that is located in a uniform state service region with fewer than 800,000, rather than 550,000, occupied housing units as determined by the most recent United States decennial census.

(a-1) Provides that, if this chapter applies to a municipality as provided by Subsection (a), the application of this chapter to the municipality is not affected if the municipality's population or number of occupied housing units changes and the municipality no longer meets the population requirement of Subsection (a).

(c) Prohibits a municipality to which this chapter applies, notwithstanding any other law, from designating a district under this chapter if the municipality has adopted a requirement in any form, including through an ordinance or regulation or as a condition for granting a building permit, that establishes a maximum sales price for a privately produced housing unit or residential building lot. Provides that the restriction described by this subsection does not apply to property that is part of an urban land bank program.

SECTION 2. Effective date: September 1, 2017.