

BILL ANALYSIS

Senate Research Center
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S.B. 1128
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Intergovernmental Relations
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, Chapter 373A of the Local Government Code permits certain Texas municipalities to designate specific areas as homestead preservation districts. Such districts are intended to promote the ability of municipalities to increase home ownership, provide affordable housing, and prevent the involuntary loss of homesteads by existing low-income and moderate-income homeowners living in disadvantaged neighborhoods. Within the districts, a municipality can establish a tax increment reinvestment zone to ensure property tax dollars from economic development are reinvested in affordability for that area. Eligible municipalities have found that the originally enacted geographic and economic restrictions on which census tracts may be included in a district have rendered this tool much less effective for its intended purposes than it could be.

S.B. 1128 amends the section of Chapter 373A applicable to the City of Dallas to better enable the city to use these districts by accounting for economic and housing pattern changes that have occurred since the statute was originally enacted.

As proposed, S.B. 1128 amends current law relating to the eligibility of certain municipalities to designate homestead preservation districts.

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.052(b), Local Government Code, as follows:

(b) Requires an area, to be designated as a district within a municipality described by Section 373A.003(b) (relating to certain subchapters applying to a municipality fitting certain criteria) under this subchapter (General Powers and Duties), to be composed of census tracts forming a spatially compact area with, rather than forming a spatially compact area contiguous to a central business district and with:

(1) fewer than 75,000 residents; and

(2) a median family income that is less than 70 percent of the area median family income, adjusted for household size, as determined annually by the United States Department of Housing and Urban Development, rather than a median family income that is less than \$30,000 according to the last decennial census.

Deletes existing Subdivision (3) and text relating to an overall poverty rate that is at least two times the poverty rate for the entire municipality.

SECTION 2. Effective date: September 1, 2019.