

Various Bills Address Housing

Various bills that passed the Legislature this session affect the housing industry. HB 2798, filed by Rep. Kenny Marchant (R-Dallas), raises the Private Activity Bond volume cap from 28 percent to 31.5 percent for single-family programs and from 5 percent to 7.5 percent for multifamily programs. This victory for housing interests translates into approximately an additional \$32 million for single-family programs and \$23 million to multifamily programs. The bill also allocates 11 percent of the state ceiling for reservations by issuers of qualified student-loan bonds, which had never been done previously.

Infill Development

SB 1249, authored by Sen. Rodney Ellis (D-Houston), makes changes in the Texas Property Tax Code that will help Housing Finance Corporations and non-profit organizations in their effort to develop affordable housing. The legislation proposes to shorten the statute of limitations for challenging the property owner of a tax foreclosure and to prohibit many suits to overturn the foreclosure. These provisions protect the buyer from title disputes and thereby enable more companies to provide the title insurance needed for development.

The bill also makes it possible for the taxing entity to sell the property to a non-profit or any other party for less than both market value and the amount of the tax-deficiency judgments against the property.

Urban redevelopment programs also received a boon with the passing of HB 3263. This bill, filed by Rep. Harold Dutton (D-Houston) and clarifying existing law, contains provisions for the authorization of an interlocal agreement between taxing units, which allows for the disposal of tax foreclosed property at less than market value.

The changes in both the Ellis and Dutton bills are advantageous to communities in two ways. First, they advance the development of abandoned properties and second, they return the property to the tax roll, thereby increasing the tax base of the community. Any hesitation by some taxing units to sell properties at an amount less than the taxes due should be removed.

Sen. Kenneth Armbrister (D-Victoria) backed SB 1852, which creates the Texas Affordable Housing Task Force. The task force, to be composed of 11 members, will evaluate regulations and policies relating to housing and make recommendations to increase the availability of affordable housing throughout the state. A report by the task force will be presented no later than Dec. 31, 1998.