

1-1 By: Bettencourt S.B. No. 1454  
1-2 (In the Senate - Filed February 19, 2025; March 6, 2025,  
1-3 read first time and referred to Committee on Local Government;  
1-4 April 29, 2025, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 6, Nays 0; April 29, 2025,  
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Bettencourt	X			
1-10	Middleton	X			
1-11	Cook	X			
1-12	Gutierrez			X	
1-13	Nichols	X			
1-14	Paxton	X			
1-15	West	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1454 By: Paxton

1-17 A BILL TO BE ENTITLED  
1-18 AN ACT

1-19 relating to the area of operations of and certain tax exemptions  
1-20 available to housing authorities.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-22 SECTION 1. Section 392.005, Local Government Code, is  
1-23 amended by adding Subsection (e) to read as follows:

1-24 (e) An exemption under this section does not apply to taxes  
1-25 imposed on a multifamily residential development by a district that  
1-26 provides water, sewer, or drainage service to the development,  
1-27 unless the applicable authority has entered into a written  
1-28 agreement with the district to make a payment to the district in  
1-29 lieu of taxation, in the amount specified in the agreement. In this  
1-30 subsection, district means:

1-31 (1) a conservation or reclamation district created  
1-32 under Section 52, Article III, or Section 59, Article XVI, Texas  
1-33 Constitution; or

1-34 (2) an emergency services district created under  
1-35 Chapter 775, Health and Safety Code.

1-36 SECTION 2. Section 392.014, Local Government Code, is  
1-37 amended to read as follows:

1-38 Sec. 392.014. AREA OF OPERATION OF A MUNICIPAL HOUSING  
1-39 AUTHORITY. The area of operation of a municipal housing authority  
1-40 is limited to the territorial boundaries of the municipality for  
1-41 which the authority is created ~~[and the area that is within five~~  
1-42 ~~miles of the territorial boundaries of the municipality and is not~~  
1-43 ~~within the territorial boundaries of another municipality].~~

1-44 SECTION 3. Section 392.017(b), Local Government Code, is  
1-45 amended to read as follows:

1-46 (b) A municipal housing authority may not undertake a  
1-47 housing project outside the territorial boundaries of the  
1-48 municipality in which it is authorized to exercise its powers  
1-49 unless a resolution is adopted by each ~~[the]~~ governing body of the  
1-50 political subdivision in which the housing project is to be located  
1-51 and by the housing authority authorized to exercise its powers  
1-52 exclusively in the political subdivision, if any:

1-53 (1) declaring a need for the municipal housing  
1-54 authority to exercise its powers in the political subdivision; and

1-55 (2) authorizing a cooperation agreement under Section  
1-56 392.059.

1-57 SECTION 4. Section 392.014, Local Government Code, as  
1-58 amended by this Act, applies only to a housing project for which a  
1-59 contract was entered into on or after the effective date of this  
1-60 Act. A housing project for which a contract was entered into before

2-1 the effective date of this Act is governed by the law in effect on  
2-2 the date the contract was entered into, and the former law is  
2-3 continued in effect for that purpose.

2-4 SECTION 5. This Act takes effect immediately if it receives  
2-5 a vote of two-thirds of all the members elected to each house, as  
2-6 provided by Section 39, Article III, Texas Constitution. If this  
2-7 Act does not receive the vote necessary for immediate effect, this  
2-8 Act takes effect September 1, 2025.

2-9 \* \* \* \* \*