

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 976
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Intergovernmental Relations
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Chapter 1372 (Private Activity Bonds and Certain Other Bonds), Government Code, currently permits the submission an application for tax-exempt private activity volume cap for qualified residential rental facilities located at multiple sites only if no other applications are submitted from the same county for projects located in that county. Consequently, an issuer cannot submit more than one application that combines multiple sites into a single project application in the same calendar year.

C.S.S.B. 976 amends Chapter 1372, Government Code, to allow an issuer created by a municipal housing authority to combine more than one “qualified residential rental project” into a single “project” as part of the housing authority’s participation in the United States Department of Housing and Urban Development’s Rental Assistance Demonstration (RAD) Program.

C.S.S.B. 976 amends current law relating to certain qualified residential rental assistance projects financed by private activity bonds.

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 1372.002, Government Code, by adding Subsection (f), as follows:

(f) Authorizes an applicant to which this subsection applies, notwithstanding Subsection (c) (authorizing an application under this chapter to include either the rehabilitation or new construction, or both the rehabilitation and new construction, of qualified residential rental facilities located at multiple sites and with respect to which 51 percent or more of the residential units are located in a county with a population of less than 75,000, or in a county in which the median income is less than the median income for the state, provided that the units are located in that portion of the county that is not included in a metropolitan statistical area containing one or more projects that are proposed to be financed, in whole or in part, by an issuance of bonds), to aggregate more than one qualified residential rental project into a single, combined project as part of the participation of the housing authority for the applicable municipality in the Rental Assistance Demonstration program administered by the United States Department of Housing and Urban Development, as specified by the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. No. 112-55) and its subsequent amendments, if the combined project is related to the municipal housing authority's conversion of public housing units as permitted under that program.

SECTION 2. Amends Section 1372.006(a), Government Code, as follows:

(a) Requires that an application for a reservation under Subchapter B (Allocation and Reservation of State Ceiling) or a carryforward designation under Subchapter C (Carryforward of State Ceiling) be accompanied by a nonrefundable fee in the amount of

\$500, except that for a combined project that includes multiple qualified residential rental projects authorized under Section 1372.002(f), the application must be accompanied by a nonrefundable fee in the amount of \$5,000 for each qualified residential rental project included in the application for the combined project, the total amount of which the Bond Review Board (board) shall retain 20 percent to offset the costs of the private activity bond allocation program and the administration of that program and of which the board is required to transfer 80 percent through an interagency agreement to the Texas Department of Housing and Community Affairs for use in the affordable housing research and information program as provided by Section 2306.259 (Affordable Housing Research and Information Program).

SECTION 3. Provides that the change in law made by amending Chapter 1372, Government Code, applies only to a reservation of state ceiling granted on or after January 1, 2015.

SECTION 4. Effective date: September 1, 2015.