

BILL ANALYSIS

Senate Research Center
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S.B. 990
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under the low-income housing tax credit program, one point is awarded to an applicant if that entity is a qualified nonprofit. However, to qualify as a nonprofit, the majority of the board of directors must either reside in the state for rural projects or not more than 90 miles from the development, if it is not in a rural area. This needlessly excludes nonprofits from being able to develop high-quality housing. S.B. 990 removes these provisions, as well as a reporting requirement for the home addresses of these individuals.

As proposed, S.B. 990 amends current law relating to the requirements for an application for a low income housing tax credit allocation from the nonprofit set-aside.

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 2306.6706(a), Government Code, to delete existing text requiring an application for a housing tax credit allocation from the nonprofit set-aside to contain the home addresses of members of the board of directors of the nonprofit organization (board) and evidence that a majority of the members of the board principally reside in this state, if the development is located in a rural area, or reside not more than 90 miles from the development in the community in which the development is located, if the development is not located in a rural area.

SECTION 2. Provides that the change in law made by this Act applies only to an application for low income housing tax credits that is submitted to the Texas Department of Housing and Community Affairs (TDHCA) during an application cycle that is based on the 2018 qualified allocation plan or a subsequent plan adopted by the governing board of TDHCA under Section 2306.67022 (Qualified Allocation Plan; Manual), Government Code. Provides that an application that is submitted during an application cycle that is based on an earlier qualified allocation plan is governed by the law in effect on the date the application cycle began, and the former law is continued in effect for that purpose.

SECTION 3. Effective date: September 1, 2017.