

By: Cortez, et al.

H.B. No. 2027

A BILL TO BE ENTITLED

AN ACT

relating to the allocation of low income housing tax credits.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2306.6725(b), Government Code, is amended to read as follows:

(b) The department shall provide appropriate incentives as determined through the qualified allocation plan to reward applicants who agree to:

(1) equip the development that is the basis of the application with energy saving devices that meet the standards established by the state energy conservation office; or

(2) provide to a qualified entity, in a land use restriction agreement in accordance with Section 2306.6726, a right of first refusal to purchase the development at the minimum price provided in, and in accordance with the requirements of, Section 42(i)(7), Internal Revenue Code of 1986 (26 U.S.C. Section 42(i)(7)) [~~and~~

~~locate the development in a census tract in which there are no other existing developments supported by housing tax credits].~~

SECTION 2. 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 during an application cycle that is based on the 2022 qualified

1 allocation plan or a subsequent plan adopted by the governing board  
2 of the department. An application that is submitted during an  
3 application cycle that is based on an earlier qualified allocation  
4 plan is governed by the law in effect on the date the application  
5 cycle began, and the former law is continued in effect for that  
6 purpose.

7 SECTION 3. This Act takes effect September 1, 2021.