

By: Johnson

S.B. No. 403

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a right of first refusal applicable to the sale of
3 housing developments that have received certain financial
4 assistance administered by the Texas Department of Housing and
5 Community Affairs.

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

7 SECTION 1. Section 2306.6726(b), Government Code, is
8 amended to read as follows:

9 (b) The owner of a development subject to a right of first
10 refusal under Section 2306.6725 may:

11 (1) during the first 60-day period after notice is
12 provided under Subsection (a-1), negotiate or enter into a purchase
13 agreement only with a qualified entity that is:

14 (A) a community housing development organization
15 as defined by the federal HOME investment partnership program; ~~or~~

16 (B) if the authority or the corporation owns the
17 fee title to the development owner's leasehold estate:

18 (i) a public housing authority; or

19 (ii) a public facility corporation created
20 by a public housing authority under Chapter 303, Local Government
21 Code; or

22 (C) controlled by an entity described by
23 Paragraph (A) or (B);

24 (2) during the second 60-day period after notice is

1 provided under Subsection (a-1), negotiate or enter into a purchase
2 agreement with a qualified entity that:

3 (A) is described by Section 2306.6706;

4 (B) is controlled by an entity described by
5 Paragraph (A); or

6 (C) is a tenant organization; and

7 (3) during the last 60-day period after notice is
8 provided under Subsection (a-1), negotiate or enter into a purchase
9 agreement with any other qualified entity.

10 SECTION 2. Section 2306.6726, Government Code, as amended
11 by this Act, applies to the sale of a development supported with an
12 allocation of low income housing tax credits issued before, on, or
13 after the effective date of this Act.

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