

AN ACT

relating to a right of first refusal applicable to the sale of housing developments that have received certain financial assistance administered by the Texas Department of Housing and Community Affairs.

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

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

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

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

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

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

(i) a public housing authority; or

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

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

(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.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 403 passed the Senate on May 5, 2021, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 403 passed the House on May 25, 2021, by the following vote: Yeas 87, Nays 59, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor