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H.B. No. 2071

A BILL TO BE ENTITLED

AN ACT

relating to certain public facilities used to provide affordable housing.

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

SECTION 1. Section 303.021, Local Government Code, is amended by adding Subsection (d) to read as follows:

(d) A corporation or a sponsor may finance, own, or operate a multifamily residential development only if:

(1) the corporation or sponsor complies with all applicable provisions of this chapter; and

(2) the development is located:

(A) inside the area of operation of the sponsor, if the sponsor is a housing authority; or

(B) if the sponsor is not a housing authority, inside the boundaries of the sponsor, without regard to whether the sponsor is authorized to own property or provide services outside the boundaries of the sponsor.

SECTION 2. Subchapter B, Chapter 303, Local Government Code, is amended by adding Section 303.0415 to read as follows:

Sec. 303.0415. APPLICABILITY OF LAWS RELATING TO CONFLICT OF INTEREST. A member of the board of a corporation or a member of the governing body of a sponsor of a corporation is subject to the same restrictions as a local public official under Chapter 171.

SECTION 3. The heading to Section 303.042, Local Government

1 Code, is amended to read as follows:

2 Sec. 303.042. TAXATION; EXEMPTION.

3 SECTION 4. Subchapter B, Chapter 303, Local Government
4 Code, is amended by adding Section 303.0421, and a heading is added
5 to that section to read as follows:

6 Sec. 303.0421. MULTIFAMILY RESIDENTIAL DEVELOPMENTS OWNED
7 BY PUBLIC FACILITY CORPORATIONS.

8 SECTION 5. Section 303.0421, Local Government Code, as
9 added by this Act, is amended by adding Subsections (a), (c), (d),
10 (f-1), (f-2), (g), and (h) to read as follows:

11 (a) This section applies to a multifamily residential
12 development that is owned by a corporation created under this
13 chapter, except that this section does not apply to a multifamily
14 residential development that:

15 (1) has at least 20 percent of its residential units
16 reserved for public housing units;

17 (2) participates in the Rental Assistance
18 Demonstration program administered by the United States Department
19 of Housing and Urban Development;

20 (3) receives financial assistance administered under
21 Chapter 1372, Government Code, or receives financial assistance
22 from another type of tax-exempt bond; or

23 (4) receives financial assistance administered under
24 Subchapter DD, Chapter 2306, Government Code.

25 (c) A multifamily residential development that is owned by a
26 corporation created under this chapter by a housing authority and
27 to which Subsection (a) applies must hold a public hearing, at a

1 meeting of the authority's governing body, to approve the
2 development.

3 (d) Notwithstanding Subsection (b), an occupied multifamily
4 residential development that is acquired by a corporation and to
5 which Subsection (a) applies is eligible for an exemption under
6 Section 303.042(c) for:

7 (1) the one-year period following the date of the
8 acquisition, regardless of whether the development complies with
9 the requirements of Subsection (b); and

10 (2) a year following the year described by Subdivision
11 (1) only if the development comes into compliance with the
12 requirements of Subsection (b) not later than the first anniversary
13 of the date of the acquisition.

14 (f-1) Subsection (f) does not apply to taxes imposed by a
15 conservation and reclamation district created under Section 52,
16 Article III, or Section 59, Article XVI, Texas Constitution, that
17 provides water, sewer, or drainage services to a public facility
18 if:

19 (1) the district has outstanding bond indebtedness;
20 and

21 (2) when the facility is combined with other existing
22 or proposed public facilities in the district, the application of
23 Subsection (f) would result in the aggregate loss of at least 10
24 percent of the total assessed value of all property located in the
25 district.

26 (f-2) Subsection (f-1) does not apply if the corporation has
27 entered into a written agreement with the district to make a payment

1 to the district in lieu of taxation, in the amount specified in the
2 agreement.

3 (g) An exemption under Section 303.042(c) for a multifamily
4 residential development to which Subsection (a) applies expires:

5 (1) for an occupied multifamily residential
6 development that is acquired by a corporation, on the 10th
7 anniversary of the date of the acquisition by the corporation; and

8 (2) for a multifamily residential development not
9 described by Subdivision (1), on the 12th anniversary of the date
10 the development receives, from the corporation or the corporation's
11 sponsor, the final approval under this chapter that is necessary to
12 obtain the exemption.

13 (h) This subsection and Subsection (f) expire December 31,
14 2025.

15 SECTION 6. Section 303.042(c), Local Government Code, is
16 amended to read as follows:

17 (c) Subject to Section 303.0421(g), a [A] corporation is
18 engaged exclusively in performance of charitable functions and is
19 exempt from taxation by this state or a municipality or other
20 political subdivision of this state. Bonds issued by a corporation
21 under this chapter, a transfer of the bonds, interest on the bonds,
22 and a profit from the sale or exchange of the bonds are exempt from
23 taxation by this state or a municipality or other political
24 subdivision of this state.

25 SECTION 7. Sections 303.042(d), (e), and (f), Local
26 Government Code, are transferred to Section 303.0421, Local
27 Government Code, as added by this Act, redesignated as Sections

1 303.0421(b), (e), and (f), Local Government Code, and amended to
2 read as follows:

3 (b) Notwithstanding Section 303.042(c) and subject to
4 Subsections (c) and (d) of this section, an ~~[(d) An]~~ exemption under
5 Section 303.042(c) ~~[this section]~~ for a multifamily residential
6 development to which Subsection (a) applies is available ~~[which is~~
7 owned by a public facility corporation created by a housing
8 authority under this chapter and which does not have at least 20
9 percent of its units reserved for public housing units, applies]
10 only if:

11 (1) the requirements under Section 303.0425 are met
12 ~~[housing authority holds a public hearing, at a regular meeting of~~
13 ~~the authority's governing body, to approve the development]; ~~and~~~~

14 (2) at least:

15 (A) 12 percent of the units in the multifamily
16 residential development are reserved for occupancy:

17 (i) as very low income housing units, as
18 defined under Section 303.0425; or

19 (ii) by participants in the housing choice
20 voucher program;

21 (B) 12 percent of the units in the multifamily
22 residential development are reserved for occupancy as lower income
23 housing units, as defined under Section 303.0425; and

24 (C) 12 ~~[50]~~ percent of the units in the
25 multifamily residential development are reserved for occupancy as
26 moderate income housing units, as defined under Section 303.0425;

27 ~~[by individuals and families earning less than 80 percent of the~~

1 ~~area median family income]~~

2 (3) the corporation delivers to the presiding officer
3 of the governing body of each taxing unit in which the development
4 is to be located written notice of the development, at least 30 days
5 before the date:

6 (A) the corporation takes action to approve a new
7 multifamily residential development or the acquisition of an
8 occupied multifamily residential development; and

9 (B) of any public hearing required to be held
10 under this section;

11 (4) the multifamily residential development is
12 approved by the governing body of the municipality, if any, the
13 county, and the school district in which the development is
14 located;

15 (5) for an occupied multifamily residential
16 development that is acquired by a corporation and not otherwise
17 subject to a land use restriction agreement under Section [2306.185](#),
18 Government Code:

19 (A) not less than 15 percent of the total gross
20 cost of the existing development, as shown in the settlement
21 statement, is expended on rehabilitating, renovating,
22 reconstructing, or repairing the development, with initial
23 expenditures and construction activities:

24 (i) beginning not later than the first
25 anniversary of the date of the acquisition; and

26 (ii) finishing not later than the third
27 anniversary of the date of the acquisition; or

1 (B) at least 25 percent of the units are reserved
2 for occupancy as lower income housing units, as defined under
3 Section 303.0425, and the development is approved by the governing
4 body of the municipality in which the development is located or, if
5 the development is not located in a municipality, the county in
6 which the development is located; and

7 (6) before final approval of the development:

8 (A) the corporation or corporation's sponsor
9 conducts, or obtains from a professional entity that has experience
10 underwriting affordable multifamily residential developments and
11 does not have financial interests in the applicable development,
12 public facility user, or developer, an underwriting assessment of
13 the proposed development to determine the appropriate category of
14 income-restricted units to require at the development; and

15 (B) based on the assessment conducted under
16 Paragraph (A), the corporation makes a good faith determination
17 that the total annual amount of rent reduction on the
18 income-restricted units provided at the development will be not
19 less than 60 percent of the estimated amount of the annual ad
20 valorem taxes that would be imposed on the property without an
21 exemption under Section 303.042(c), for:

22 (i) the first three years after the rent
23 stabilization period, for newly constructed developments; and

24 (ii) the second, third, and fourth years
25 after the date of acquisition by the corporation, for developments
26 occupied at the time of acquisition.

27 (e) For the purposes of Subsection (a) [~~(d)~~], a "public

1 housing unit" is a residential [~~dwelling~~] unit for which the
2 landlord receives a public housing operating subsidy. It does not
3 include a unit for which payments are made to the landlord under the
4 federal Section 8 Housing Choice Voucher Program.

5 (f) Notwithstanding Sections 303.042(a) and (b) and subject
6 to Subsection (f-1) [~~Subsections (a) and (b)~~], during the period
7 [~~of time~~] that a corporation owns a particular public facility that
8 is a multifamily residential development:

9 (1) [~~r~~] a leasehold or other possessory interest in
10 the real property of the public facility granted by the corporation
11 shall be treated in the same manner as a leasehold or other
12 possessory interest in real property granted by an authority under
13 Section 379B.011(b); and

14 (2) the materials used by a person granted a
15 possessory interest described by Subdivision (1) to improve the
16 real property of the public facility shall be exempt from all sales
17 and use taxes because the materials are for the benefit of the
18 corporation.

19 SECTION 8. Subchapter B, Chapter 303, Local Government
20 Code, is amended by adding Sections 303.0425 and 303.0426 to read as
21 follows:

22 Sec. 303.0425. ADDITIONAL REQUIREMENTS FOR BENEFICIAL TAX
23 TREATMENT RELATING TO CERTAIN PUBLIC FACILITIES. (a) In this
24 section:

25 (1) "Department" means the Texas Department of Housing
26 and Community Affairs.

27 (2) "Developer" means a private entity that constructs

1 a development, including the rehabilitation, renovation,
2 reconstruction, or repair of a development.

3 (3) "Housing choice voucher program" means the housing
4 choice voucher program under Section 8, United States Housing Act
5 of 1937 (42 U.S.C. Section 1437f).

6 (4) "Lower income housing unit" means a residential
7 unit reserved for occupancy by an individual or family earning not
8 more than 60 percent of the area median income, adjusted for family
9 size, as defined by the United States Department of Housing and
10 Urban Development.

11 (5) "Moderate income housing unit" means a residential
12 unit reserved for occupancy by an individual or family earning not
13 more than 80 percent of the area median income, adjusted for family
14 size, as defined by the United States Department of Housing and
15 Urban Development.

16 (6) "Public facility user" means a public-private
17 partnership entity or a developer or other private entity that has
18 an ownership interest or a leasehold or other possessory interest
19 in a public facility that is a multifamily residential development.

20 (7) "Very low income housing unit" means a residential
21 unit reserved for occupancy by an individual or family earning not
22 more than 50 percent of the area median income, adjusted for family
23 size, as defined by the United States Department of Housing and
24 Urban Development.

25 (b) If a majority of the members of the board of the
26 corporation are not elected officials, the development must be
27 approved by the governing body of the municipality in which the

1 development is located or, if the development is not located in a
2 municipality, the county in which the development is located.

3 (c) The percentage of very low, lower, and moderate income
4 housing units reserved in each category of units in the
5 development, based on the number of bedrooms per unit, must be the
6 same as the percentage of each category of housing units reserved in
7 the development as a whole.

8 (d) The monthly rent charged per unit may not exceed:

9 (1) for a very low income housing unit, 30 percent of
10 50 percent of the area median income, adjusted for family size, as
11 defined by the United States Department of Housing and Urban
12 Development;

13 (2) for a lower income housing unit, 30 percent of 60
14 percent of the area median income, adjusted for family size, as
15 defined by the United States Department of Housing and Urban
16 Development; or

17 (3) for a moderate income housing unit, 30 percent of
18 80 percent of the area median income, adjusted for family size, as
19 defined by the United States Department of Housing and Urban
20 Development.

21 (e) In calculating the income of an individual or family for
22 a very low, lower, or moderate income housing unit, the public
23 facility user must use the definition of annual income described in
24 24 C.F.R. Section 5.609, as implemented by the United States
25 Department of Housing and Urban Development. If the income of a
26 tenant exceeds an applicable limit at the time of the renewal of a
27 lease agreement for a residential unit, the provisions of Section

1 42(g)(2)(D), Internal Revenue Code of 1986, apply in determining
2 whether the unit may still qualify as a very low, lower, or moderate
3 income housing unit.

4 (f) The public facility user may not:

5 (1) refuse to rent a residential unit to an individual
6 or family because the individual or family participates in the
7 housing choice voucher program; or

8 (2) use a financial or minimum income standard that
9 requires an individual or family participating in the housing
10 choice voucher program to have a monthly income of more than 250
11 percent of the individual's or family's share of the total monthly
12 rent payable for a unit.

13 (f-1) A public facility user may require an individual or
14 family participating in the housing choice voucher program to pay
15 the difference between the monthly rent for the applicable unit and
16 the amount of the monthly voucher if the amount of the voucher is
17 less than the rent.

18 (g) A corporation that owns or leases to a public facility
19 user a public facility used as a multifamily residential
20 development shall publish on its Internet website information about
21 the development's:

22 (1) compliance with the requirements of this section;
23 and

24 (2) policies regarding tenant participation in the
25 housing choice voucher program.

26 (h) The public facility user shall:

27 (1) affirmatively market available residential units

1 directly to individuals and families participating in the housing
2 choice voucher program; and

3 (2) notify local housing authorities of the
4 multifamily residential development's acceptance of tenants in the
5 housing choice voucher program.

6 (i) The department shall conduct an annual audit of each
7 public facility user of a multifamily residential development
8 claiming an exemption under Section 303.042(c) and to which Section
9 303.0421 applies, to:

10 (1) determine whether the public facility user is in
11 compliance with this section and Section 303.0421; and

12 (2) identify the difference in the rent charged for
13 income-restricted residential units and the estimated maximum
14 market rents that could be charged for those units without the rent
15 or income restrictions.

16 (i-1) An independent auditor or compliance expert may not
17 prepare an audit under Subsection (i) for more than three
18 consecutive years for the same public facility user. After the
19 third consecutive audit, the independent auditor or compliance
20 expert may prepare an audit only after the second anniversary of the
21 preparation of the third consecutive audit.

22 (j) The department shall complete and publish a report
23 regarding the findings of an audit conducted under Subsection (i).

24 The report must:

25 (1) be made available on the department's Internet
26 website;

27 (2) be issued to a public facility user that has an

1 interest in a development that is the subject of an audit; and

2 (3) describe in detail the nature of any failure to
3 comply with the requirements in this section and Section 303.0421.

4 (j-1) The department shall adopt forms and reporting
5 standards for the auditing process.

6 (k) The initial audit report required by Subsection (j) is
7 due not later than June 1 of the year following the first
8 anniversary of:

9 (1) the date of acquisition for an occupied
10 multifamily residential development that is acquired by a
11 corporation; or

12 (2) the date a new multifamily residential development
13 first becomes occupied by one or more tenants.

14 (k-1) Subsequent audit reports following the issuance of
15 the initial audit report under Subsection (k) are due not later than
16 June 1 of each year.

17 (l) Not later than the 60th day after the date of receipt of
18 the department's audit report under Subsection (j)(2), a public
19 facility user shall provide a copy of the report to the comptroller,
20 the appraisal district containing the development that is the
21 subject of the report, the corporation, the governing body of the
22 corporation's sponsor, and, if the corporation's sponsor is a
23 housing authority, the elected officials who appointed the housing
24 authority's governing board.

25 (l-1) Not later than June 1 of each year for which an audit
26 is required under Subsection (i), a public facility user to which
27 Section 303.0421 applies shall pay to the department a fee of \$40

1 per unit contained in the development, as determined by the audit,
2 to reimburse the department for expenses related to the audit.

3 (1-2) An exemption under Section 303.042(c) does not apply
4 for a tax year in which a multifamily residential development that
5 is owned by a public facility corporation created under this
6 chapter is determined by an audit conducted under Subsection (i) to
7 not be in compliance with the requirements of this section and
8 Section 303.0421.

9 (1-3) An audit conducted under Subsection (i) is subject to
10 disclosure under Chapter 552, Government Code, except that
11 information containing tenant names, unit numbers, or other tenant
12 identifying information may be redacted.

13 (m) Each lease agreement for a residential unit in a
14 multifamily residential development subject to this section must
15 provide that:

16 (1) the landlord may not retaliate against the tenant
17 or the tenant's guests by taking an action because the tenant
18 established, attempted to establish, or participated in a tenant
19 organization;

20 (2) the landlord may only choose to not renew the lease
21 if the tenant:

22 (A) is in material noncompliance with the lease,
23 including nonpayment of rent;

24 (B) committed one or more substantial violations
25 of the lease;

26 (C) failed to provide required information on the
27 income, composition, or eligibility of the tenant's household; or

1 (D) committed repeated minor violations of the
2 lease that:

3 (i) disrupt the livability of the property;

4 (ii) adversely affect the health and safety
5 of any person or the right to quiet enjoyment of the leased premises
6 and related development facilities;

7 (iii) interfere with the management of the
8 development; or

9 (iv) have an adverse financial effect on
10 the development, including the failure of the tenant to pay rent in
11 a timely manner; and

12 (3) to not renew the lease, the landlord must serve a
13 written notice of proposed nonrenewal on the tenant not later than
14 the 30th day before the effective date of nonrenewal.

15 (n) A tenant may not waive the protections provided by
16 Subsection (m).

17 (o) If an audit report submitted under Subsection (j)
18 indicates noncompliance with this section, a public facility user:

19 (1) must be given:

20 (A) written notice from the Texas Department of
21 Housing and Community Affairs or appropriate appraisal district
22 that:

23 (i) is provided not later than the 45th day
24 after the date a report has been submitted under Subsection (j);

25 (ii) specifies the reasons for
26 noncompliance;

27 (iii) contains at least one option for a

1 corrective action to resolve the noncompliance; and

2 (iv) informs the public facility user that
3 failure to resolve the noncompliance will result in the loss of an
4 exemption under Section 303.042(c);

5 (B) 60 days after the date notice is received
6 under this subdivision, to resolve the matter that is the subject of
7 the notice; and

8 (C) if a matter that is the subject of a notice
9 provided under this subdivision is not resolved to the satisfaction
10 of the Texas Department of Housing and Community Affairs and the
11 appropriate appraisal district during the period provided by
12 Paragraph (B), a second notice that informs the public facility
13 user of the loss of the exemption under Section 303.042(c) due to
14 noncompliance with this section;

15 (2) is considered to be in compliance with this
16 section if notice under Subdivision (1)(A) is not provided as
17 specified by Subparagraph (i) of that paragraph; and

18 (3) may appeal a determination of noncompliance to a
19 district court in the county in which the applicable development is
20 located.

21 (p) Requirements under this subchapter relating to the
22 reservation of income-restricted residential units or income
23 restrictions applicable to tenants of a multifamily residential
24 development subject to this subchapter must be documented in a land
25 use restriction agreement or a similar restrictive instrument that:

26 (1) ensures that the applicable restrictions are in
27 effect for not less than 10 years; and

1 (2) is recorded in the real property records of the
2 county in which the development is located.

3 (g) An agreement or instrument recorded under Subsection
4 (p) may be terminated if the development that is the subject of the
5 agreement or instrument:

6 (1) is the subject of a foreclosure sale; or

7 (2) becomes ineligible for an exemption under Section
8 303.042(c) for a reason other than the failure to comply with
9 restrictions recorded in the agreement or instrument.

10 Sec. 303.0426. STUDY OF TAX EXEMPTIONS FOR MULTIFAMILY
11 RESIDENTIAL DEVELOPMENTS OWNED BY PUBLIC FACILITY CORPORATIONS.

12 (a) In this section, "board" means the Legislative Budget Board.

13 (b) The board shall conduct a study that assesses the
14 long-term effects on the state's funding and revenue, including
15 funding for public education, of ad valorem tax exemptions and
16 sales and use tax exemptions for multifamily housing developments
17 under Sections 303.042(c) and 303.0421(f).

18 (c) Not later than December 10, 2024, the board shall submit
19 to the governor, the lieutenant governor, and the speaker of the
20 house of representatives a report on the results of the study. The
21 report must include an estimate of:

22 (1) the funding or revenue that the state has lost as a
23 result of the exemptions; and

24 (2) the potential increase in funding or revenue that
25 would result from the repeal of the exemptions.

26 (d) The board may delegate any authority granted to the
27 board under this section that the board determines is necessary to

1 conduct the study under this section.

2 (e) This section expires January 1, 2025.

3 SECTION 9. Sections 392.005(c) and (d), Local Government
4 Code, are amended to read as follows:

5 (c) An exemption under this section for a multifamily
6 residential development which is owned by [~~(i) a public facility~~
7 ~~corporation created by a housing authority under Chapter 303, (ii)]
8 a housing development corporation~~[,]~~ or [~~(iii)]~~ a similar entity
9 created by a housing authority, other than a public facility
10 corporation created by a housing authority under Chapter 303, and
11 which does not have at least 20 percent of its residential units
12 reserved for public housing units, applies only if:~~

13 (1) the authority holds a public hearing, at a regular
14 meeting of the authority's governing body, to approve the
15 development; and

16 (2) at least:

17 (A) 12 percent of the units in the multifamily
18 residential development are reserved for occupancy:

19 (i) as very low income housing units, as
20 defined under Section 303.0425; or

21 (ii) by participants in the housing choice
22 voucher program;

23 (B) 12 percent of the units in the multifamily
24 residential development are reserved for occupancy as lower income
25 housing units, as defined under Section 303.0425; and

26 (C) 12 [50] percent of the units in the
27 multifamily residential development are reserved for occupancy as

1 moderate income housing units, as defined under Section 303.0425
2 ~~[by individuals and families earning less than 80 percent of the~~
3 ~~area median family income].~~

4 (d) For the purposes of Subsection (c), a "public housing
5 unit" is a residential ~~[dwelling]~~ unit for which the owner receives
6 a public housing operating subsidy. It does not include a unit for
7 which payments are made to the landlord under the federal Section 8
8 Housing Choice Voucher Program.

9 SECTION 10. (a) Subject to Subsections (b), (c), and (d) of
10 this section, Sections 303.0421 and 303.0425, Local Government
11 Code, as added by this Act, apply only to a tax imposed for a tax
12 year beginning on or after the effective date of this Act.

13 (b) Subject to Subsections (c) and (d) of this section,
14 Sections 303.0421 and 303.0425, Local Government Code, as added by
15 this Act, apply only to a multifamily residential development that
16 is approved on or after the effective date of this Act by a public
17 facility corporation or the sponsor of a public facility
18 corporation, in accordance with Chapter 303, Local Government Code.
19 A multifamily residential development that was approved by a public
20 facility corporation or the sponsor of a public facility
21 corporation before the effective date of this Act is governed by the
22 law in effect on the date the development was approved by the
23 corporation or sponsor, and the former law is continued in effect
24 for that purpose.

25 (c) Subject to Subsection (d) of this section, Section
26 303.0421(d), Local Government Code, as added by this Act, applies
27 only to an occupied multifamily residential development that is

1 acquired by a public facility corporation on or after the effective
2 date of this Act. An occupied multifamily residential development
3 that is acquired by a public facility corporation before the
4 effective date of this Act is governed by the law in effect on the
5 date the development was acquired by the public facility
6 corporation, and the former law is continued in effect for that
7 purpose.

8 (d) Notwithstanding any other provision of this section:

9 (1) Sections 303.0425(g), (i), (j), (k), (l), (l-1),
10 and (l-2), Local Government Code, as added by this Act, apply to all
11 multifamily residential developments owned by a public facility
12 corporation; and

13 (2) the initial audit report required to be submitted
14 under Section 303.0425(j), Local Government Code, as added by this
15 Act, for a multifamily residential development that was approved or
16 acquired by a public facility corporation before the effective date
17 of this Act must be submitted by the later of:

18 (A) the date established by Section 303.0425(k),
19 Local Government Code, as added by this Act; or

20 (B) June 1, 2024.

21 (e) Section 303.0421(h), Local Government Code, as added by
22 this Act, does not affect a tax exemption available to a multifamily
23 residential development under Section 303.0421(f), Local
24 Government Code, as amended by this Act, immediately before
25 December 31, 2025. A tax exemption available to a multifamily
26 residential development under Section 303.0421(f), Local
27 Government Code, immediately before that date is covered by the law

1 in effect when the development qualified for the exemption, and
2 that law is continued in effect for that purpose.

3 SECTION 11. Not later than January 1, 2024, the Texas
4 Department of Housing and Community Affairs shall adopt rules
5 necessary to implement Section 303.0425(i), Local Government Code,
6 as added by this Act.

7 SECTION 12. This Act takes effect September 1, 2023.