

By: Shaheen

H.B. No. 3591

Substitute the following for H.B. No. 3591:

By: Lozano

C.S.H.B. No. 3591

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 2306.67022, Government Code, is amended to read as follows:

Sec. 2306.67022. QUALIFIED ALLOCATION PLAN; MANUAL. (a)

At least biennially, the board shall adopt a qualified allocation plan and a corresponding manual to provide information regarding the administration of and eligibility for the low income housing tax credit program. The board may adopt the plan and manual annually, as considered appropriate by the board.

(b) The department may not adopt a qualified allocation plan that:

(1) requires as part of the threshold criteria that an applicant agree to, in a land use restriction agreement or otherwise, an affordability period for a proposed development that is greater than the federal minimum affordability period; or

(2) uses a scoring system that awards points to an application based on whether an applicant agrees to, in a land use restriction agreement or otherwise, an affordability period for a proposed development that is greater than the federal minimum affordability period.

(c) For purposes of Subsection (b), "federal minimum affordability period" means the period beginning on the first day

1 of the compliance period, as defined by Section 42(i)(1), Internal
2 Revenue Code of 1986 (26 U.S.C. Section 42(i)(1)), and ending 15
3 years from the date on which the compliance period ends.

4 SECTION 2. Section 2306.6711(b), Government Code, is
5 amended to read as follows:

6 (b) Not later than the deadline specified in the qualified
7 allocation plan, the board shall issue commitments for available
8 housing tax credits based on the application evaluation process
9 provided by Section 2306.6710. The board may not allocate to an
10 applicant housing tax credits in any unnecessary amount, as
11 determined by the department's underwriting policy and by federal
12 law, and in any event may not allocate to the applicant housing tax
13 credits in an amount greater than \$6 [~~\$3~~] million in a single
14 application round or to an individual development more than \$2
15 million in a single application round.

16 SECTION 3. Section 2306.6724, Government Code, is amended
17 by adding Subsection (g) to read as follows:

18 (g) Notwithstanding other law, the department shall issue a
19 final commitment for an allocation of housing tax credits not later
20 than the 120th day following the date on which the department first
21 receives from an applicant an Internal Revenue Service Form 8609,
22 or that form's successor, for the purpose of obtaining a low-income
23 housing credit allocation and certification.

24 SECTION 4. Section 2306.1112, Government Code, is repealed.

25 SECTION 5. The change in law made by this Act applies only
26 to an application for low income housing tax credits that is
27 submitted to the Texas Department of Housing and Community Affairs

1 during an application cycle that is based on the 2024 qualified
2 allocation plan or a subsequent plan adopted by the governing board
3 of the department. An application that is submitted during an
4 application cycle that is based on an earlier qualified allocation
5 plan is governed by the law in effect on the date the application
6 cycle began, and the former law is continued in effect for that
7 purpose.

8 SECTION 6. This Act takes effect September 1, 2023.