

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 board shall adjust to reflect inflation any amount specified in the qualified allocation plan relating to the acceptable cost of a development by square foot. The board shall use 2021 as the base year for the adjustment.

(c) In making the computation under Subsection (b), the board shall consider the Consumer Price Index for All Urban Consumers, or its successor in function, published by the United States Bureau of Labor Statistics.

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

(b) Not later than the deadline specified in the qualified allocation plan, the board shall issue commitments for available housing tax credits based on the application evaluation process

1 provided by Section 2306.6710. The board may not allocate to an  
2 applicant housing tax credits in any unnecessary amount, as  
3 determined by the department's underwriting policy and by federal  
4 law, and in any event may not allocate to the applicant housing tax  
5 credits in an amount greater than \$6 [~~\$3~~] million in a single  
6 application round or to an individual development more than \$2  
7 million in a single application round.

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

10 (g) Notwithstanding any other law, the department shall  
11 issue a final commitment for an allocation of housing tax credits  
12 not later than the 120th day following the date on which the  
13 department receives from an applicant a complete cost certification  
14 package, as prescribed by department rule, and the applicant has  
15 fulfilled any requests for information for the issuance of Internal  
16 Revenue Service Form 8609, or that form's successor.

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 Section 2306.1112, Government Code, is repealed.

18 SECTION 5. Section 2306.67022, Government Code, as amended  
19 by this Act, applies to the adoption of a qualified allocation plan  
20 and corresponding manual for the state fiscal biennium beginning  
21 September 1, 2023.

22 SECTION 6. Sections 2306.111, 2306.6711, and 2306.6724,  
23 Government Code, as amended by this Act, apply only to an  
24 application for low income housing tax credits that is submitted to  
25 the Texas Department of Housing and Community Affairs during an  
26 application cycle that is based on the 2024 qualified allocation  
27 plan or a subsequent plan adopted by the governing board of the

1 department. An application that is submitted during an application  
2 cycle that is based on an earlier qualified allocation plan is  
3 governed by the law in effect on the date the application cycle  
4 began, and the former law is continued in effect for that purpose.

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

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President of the Senate

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Speaker of the House

I certify that H.B. No. 4550 was passed by the House on May 2, 2023, by the following vote: Yeas 130, Nays 14, 3 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4550 on May 25, 2023, by the following vote: Yeas 126, Nays 17, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 4550 was passed by the Senate, with amendments, on May 23, 2023, by the following vote: Yeas 28, Nays 3.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor