By: Menéndez, et al. S.B. No. 2137
(Cunningham, Lopez of Bexar, Cole, Luther, Garcia Hernandez)

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 by adding Subsections (d) and (e) to read as follows:

(d) The department may not:

(1) require as part of the threshold criteria under a qualified allocation plan that a public school campus with an attendance zone that contains the proposed development site satisfy certain criteria relating to educational quality, as specified by the department in that plan; or

(2) adopt a qualified allocation plan that uses a scoring system that awards points to an application based on criteria relating to the educational quality of a public school campus with an attendance zone that contains the proposed development site.

(e) This subsection and Subsection (d) expire September 1, 2027.

SECTION 2. (a) The Texas Department of Housing and Community Affairs shall conduct a study of the effects that the implementation of Section 2306.67022(d), Government Code, as added by this Act, has on the allocation of low income housing tax credits in this state.

(b) Not later than November 1, 2027, the Texas Department of Housing and Community Affairs shall submit to each standing committee of the legislature with jurisdiction over affordable housing a report regarding the study required by Subsection (a) of this section.

SECTION 3. The change in law made by this Act applies only to an application for low income housing tax credits that is submitted to the Texas Department of Housing and Community Affairs during an application cycle that is based on the 2026 or 2027 qualified allocation plan adopted by the governing board of the department.

SECTION 4. This Act takes effect September 1, 2025.