

BILL ANALYSIS

H.B. 2617
By: Mowery
Urban Affairs
Committee Report (Amended)

BACKGROUND AND PURPOSE

Chapter 2306 of the Government Code establishes the *Texas Department of Housing and Community Affairs*. House Bill 2617 would amend provisions in subchapter DD, *Low Income Housing Tax Credit Program*. Federal tax credits are awarded to developers on a competitive basis for the development of affordable housing. H.B. 2617 would permit the abatement of local property taxes, in addition to federal tax credits.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

SECTION-BY-SECTION ANALYSIS

- SECTION 1. Amends Subchapter DD, Chapter 2306, Government Code, by adding Section 2306.67023 to require local approval by cities and counties for developer participation.
- SECTION 2. Amends Section 2306.6705, Government Code, to require applicants for tax credits to furnish a letter from the presiding officer of the governing body of the political subdivision(s) in which the development is located or zoning official(s) indicating that a project has been approved or in the process, and evidence that required community meetings have been held.
- SECTION 3. Amends Section 2306.6710(b), Government Code, to require tax credit applicants to indicate degree of community opposition, support by local governments, and existing density of multi-family housing.
- SECTION 4. Amends Section 2306.6717(b), Government Code, to require the Texas Department of Housing and Community Affairs ("the department") to furnish information about the tax credit program to local governmental officials.
- SECTION 5. Amends Section 2306.6718(a), Government Code, to require the department to furnish notice of tax credit applications to local officials.
- SECTION 6. Amends Section 2306.6724(e), Government Code, to require the department, no later than June 30, to mail the list of approved applications to local officials.
- SECTION 7. Amends Section 2306.6725(a), Government Code, to require the department to consider multi-family housing needs in the allocation of tax credits.
- SECTION 8. Amends Section 2306.6732, Government Code, to require the department to furnish information to local officials about the tax credit program.
- SECTION 9. Amends Section 11.182, Tax Code, regarding exemptions, to authorize local governments to adopt criteria by which otherwise exempted property would be taxed; requires organizations to submit written requests for exemptions to the local governments; requires local governments to determine exemption qualification and notification of appraisal district; permits assessment of application fees; requires notification by organizations to chief appraiser regarding exemptions.
- SECTION 10. Effective date/prospective application period.

EFFECTIVE DATE: September 1, 2003.

EXPLANATION OF AMENDMENTS

Committee Amendment No. 1 will amend H.B. 2617 by allowing for either county or municipal approval of a development, rather than mandating municipal approval if the development is in a municipality or county approval if it is not located in a municipality.