

BILL ANALYSIS

S.B. 1733
By: Gallegos
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, there is no State law regarding disclosure of standards that constitute "just cause." Recently, the Internal Revenue Service ruled that a multi-family property that has been funded through the tax credit program is required to use "just cause" in its decisions to evict a tenant or refuse to renew a tenant's lease. This ruling found that the specific standards of behavior which constitute "just cause" are required to be detailed in all subject lease agreements.

As engrossed, Senate Bill No. 1733 requires the Texas Department of Housing and Community Affairs to establish rules regarding lease terms for the management of properties that have been funded by low income housing tax credits.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Housing and Community Affairs in SECTION 2 of this bill.

SECTION-BY-SECTION ANALYSIS

SECTION 1. Amends Subchapter DD, Chapter 2306, Government Code, by adding Section 2306.6735, as follows:

Sec. 2306.6735 REQUIRED LEASE AGREEMENT PROVISIONS. Requires a lease agreement with a tenant in a development supported with a housing tax credit allocation to include certain standards and be consistent with state and federal law.

SECTION 2. Requires the Texas Department of Housing and Community Affairs to adopt any rules necessary to enforce Section 2306.6735, Government Code, as added by this Act, not later than November 1, 2007.

SECTION 3. Effective date: September 1, 2007.

EFFECTIVE DATE

September 1, 2007.