

By: Orr

H.B. No. 3552

A BILL TO BE ENTITLED

AN ACT

relating to the issuance of private activity bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1372.002, Government Code, is amended by amending Subsection (a) and adding Subsections (c) and (d) to read as follows:

(a) For purposes of this chapter, a project is:

(1) an eligible facility or facilities that are [~~is~~] proposed to be financed, in whole or in part, by an issue of qualified residential rental project bonds; [~~or~~]

(2) in connection with an issue of qualified mortgage bonds or qualified student loan bonds, the providing of financial assistance to qualified mortgagors or students located in all or any part of the jurisdiction of the issuer; or

(3) an eligible facility that is proposed to be financed, in whole or in part, by an issue of bonds other than bonds described by Subdivision (1) or (2).

(c) For purposes of Subsection (a)(1), an application under this chapter may include either the rehabilitation or new construction, or both the rehabilitation and new construction, of qualified residential rental facilities located at multiple sites and with respect to which 51 percent or more of the residential units are located:

(1) in a county with a population of less than 75,000;

1 or

2 (2) in a county in which the median income is less than
3 the median income for the state, provided that the units are located
4 in that portion of the county that is not included in a metropolitan
5 statistical area containing one or more projects that are proposed
6 to be financed, in whole or in part, by an issuance of bonds.

7 (d) For purposes of Subsection (c), in an application for a
8 reservation, the number of sites may be reduced as needed without
9 affecting their status as a project for purposes of the
10 application, provided that the final application for a reservation
11 contains at least two sites.

12 SECTION 2. Sections 1372.0231(d), (e), (g), and (i),
13 Government Code, are amended to read as follows:

14 (d) Except as provided by Subsection (i), before May [~~June~~]
15 1, the board shall apportion the amount of the state ceiling set
16 aside under Subsection (a)(2) among the uniform state service
17 regions according to the percentage of the state's population that
18 resides in each of those regions.

19 (e) Until March 1 [~~May 15~~] of each year, for each of the
20 uniform state service regions containing [~~Austin,~~] Dallas [~~7~~] or
21 Houston, the board shall reserve a total of \$15 million of the state
22 ceiling set aside for the region under Subsection (d) for:

23 (1) the areas in the region that are located outside of
24 a metropolitan statistical area; or

25 (2) projects involving the rehabilitation of a
26 qualified residential rental facility or facilities in the region,
27 regardless of whether the projects are located inside or outside a

1 metropolitan statistical area.

2 (g) On or after May [~~June~~] 1, the board may not grant
3 available reservations to housing finance corporations described
4 by Subsection (a) based on uniform state service regions or any
5 segments of those regions.

6 (i) Before May [~~June~~] 1, the board shall apportion the
7 amount of the state ceiling set aside under Subsection (a)(2) only
8 among uniform state service regions with respect to which an issuer
9 has submitted an application for a reservation of the state ceiling
10 on or before March 1.

11 SECTION 3. Section 1372.0261(a), Government Code, is
12 amended to read as follows:

13 (a) In this section, "utilization percentage" means that
14 portion of the amount of the state ceiling allocated to a housing
15 finance corporation with respect to which the corporation issues
16 private activity bonds that result in mortgage loans or mortgage
17 credit certificates. A housing finance corporation's utilization
18 percentage for an allocation of the state ceiling is the quotient
19 of:

20 (1) the amount of the state ceiling:
21 (A) with respect to which mortgage loans have
22 been originated, considering only the original principal balance of
23 those loans;

24 (B) that is used to purchase mortgages or
25 mortgage-backed securities; or

26 (C) that is [~~the amount of the state ceiling~~]
27 used to issue mortgage credit certificates; divided by

1 (2) the amount of the state ceiling allocated, minus
2 any amounts of the state ceiling required for debt service reserve
3 funds.

4 SECTION 4. Section 1372.031, Government Code, is amended to
5 read as follows:

6 Sec. 1372.031. PRIORITIES FOR RESERVATIONS AMONG CERTAIN
7 ISSUERS. Subject to Sections 1372.0321, ~~[and]~~ 1372.0231, and
8 1372.035(c) if, on or before October 20, more than one issuer in a
9 category described by Section 1372.022(a)(2), (3), (4), or (6)
10 applies for a reservation of the state ceiling for the next program
11 year, the board shall grant reservations in that category in the
12 order determined by the board by lot.

13 SECTION 5. Section 1372.0321(a-1), Government Code, as
14 added by Chapters 330 and 1329, Acts of the 78th Legislature,
15 Regular Session, 2003, is reenacted and amended to read as follows:

16 (a-1) In granting reservations to issuers of qualified
17 residential rental project issues, the board shall give second
18 priority to projects in which 80 ~~[100]~~ percent or more of the
19 residential units in the project are:

20 (1) under the restriction that the maximum allowable
21 rents are an amount equal to 30 percent of 60 percent of the area
22 median family income minus an allowance for utility costs
23 authorized under the federal low-income housing tax credit program;
24 and

25 (2) reserved for families and individuals earning not
26 more than 60 percent of the area median income.

27 SECTION 6. Section 1372.035, Government Code, is amended by

1 amending Subsection (b) and adding Subsection (c) to read as
2 follows:

3 (b) Except as provided by Sections 1372.031-1372.033 and
4 Subsection (c), the board shall grant reservations in the order in
5 which the applications for those reservations are received,
6 regardless of the amounts of the related bond issues.

7 (c) If, with respect to an application, an issuer receives a
8 carryforward designation under Section 1372.061(b), the board
9 shall grant a reservation with respect to the issuer's next
10 available application on the earlier of the following:

11 (1) the date of receipt of notice from the issuer that
12 the application for which the issuer received the carryforward
13 designation is being withdrawn; or

14 (2) if the amount of the carryforward is sufficient to
15 satisfy fully the issuer's next available application, the date of
16 expiration of the period specified by Section 1372.042(a-1).

17 SECTION 7. Section 1372.070, Government Code, is amended to
18 read as follows:

19 Sec. 1372.070. FORM AND CONTENTS OF APPLICATION FOR
20 CARRYFORWARD APPLICATION. An application for a carryforward
21 designation must:

22 (1) be on a form prescribed by the board;

23 (2) be signed by a member or officer of the issuer and
24 by~~+~~

25 ~~[(A)]~~ the governor, if the issuer was created to
26 act on behalf of this state~~[, or~~

27 ~~[(B) the presiding officer or another authorized~~

1 ~~official of each political subdivision, if the issuer was created~~
2 ~~to act on behalf of one or more political subdivisions of this~~
3 ~~state];~~

4 (3) state the amount of carryforward sought;

5 (4) describe the project;

6 (5) state which priority classification is applicable
7 to the applicant;

8 (6) include evidence satisfactory to the board that
9 that priority classification is correct; and

10 (7) contain any other information that the board by
11 rule requires.

12 SECTION 8. Section 1372.0261, Government Code, as amended
13 by this Act, applies only to a reservation of state ceiling granted
14 on or after January 1, 2008.

15 SECTION 9. This Act takes effect September 1, 2007.