

1-1 By: Lucio S.B. No. 1934  
1-2 (In the Senate - Filed March 9, 2007; March 22, 2007, read  
1-3 first time and referred to Committee on Intergovernmental  
1-4 Relations; May 21, 2007, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 3, Nays 1;  
1-6 May 21, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1934 By: Patrick

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to low-income or moderate-income housing.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subsections (b), (e), and (h), Section 11.182,  
1-13 Tax Code, are amended to read as follows:

1-14 (b) An organization is entitled to an exemption from  
1-15 taxation of improved or unimproved real property it owns or  
1-16 controls if the organization:

1-17 (1) is organized as a community housing development  
1-18 organization;

1-19 (2) meets the requirements of a charitable  
1-20 organization provided by Sections 11.18(e) and (f);

1-21 (3) owns the property for the purpose of building or  
1-22 repairing housing on the property to sell without profit to a  
1-23 low-income or moderate-income individual or family satisfying the  
1-24 organization's eligibility requirements or to rent without profit  
1-25 to such an individual or family or owns or controls 100 percent of:

1-26 (A) the general partner interest of the limited  
1-27 partnership that owns the property, if applicable; or

1-28 (B) the entity that owns the property, if  
1-29 applicable; and

1-30 (4) engages [~~exclusively~~] in the building, repair, and  
1-31 sale or rental of housing as described by Subdivision (3) and  
1-32 related activities.

1-33 (e) In addition to meeting the applicable requirements of  
1-34 Subsections (b) and (c), to receive an exemption under Subsection  
1-35 (b) for improved real property that is [~~includes a housing project~~  
1-36 ~~constructed after December 31, 2001, and~~] financed with qualified  
1-37 501(c)(3) bonds issued under Section 145 of the Internal Revenue  
1-38 Code of 1986, tax-exempt private activity bonds subject to volume  
1-39 cap, or low-income housing tax credits, the organization must:

1-40 (1) [~~control 100 percent of the interest in the~~  
1-41 ~~general partner if the project is owned by a limited partnership,~~

1-42 [~~(2)~~] comply with all rules of and laws administered  
1-43 by the Texas Department of Housing and Community Affairs applicable  
1-44 to community housing development organizations; and

1-45 (2) [~~(3)~~] submit annually to the Texas Department of  
1-46 Housing and Community Affairs and to the governing body of each  
1-47 taxing unit for which the project receives an exemption for the  
1-48 housing project evidence demonstrating that the organization spent  
1-49 an amount equal to at least 90 percent of the project's cash flow in  
1-50 the preceding fiscal year as determined by the audit required by  
1-51 Subsection (g), for eligible persons in the county in which the  
1-52 property is located, on social, educational, or economic  
1-53 development services, capital improvement projects, or rent  
1-54 reduction.

1-55 (h) Subsections (d) and (e)(2) [~~(e)(3)~~] do not apply to  
1-56 property owned by an organization if:

1-57 (1) the entity that provided the financing for the  
1-58 acquisition or construction of the property:

1-59 (A) requires the organization to make payments in  
1-60 lieu of taxes to the school district in which the property is  
1-61 located; or

1-62 (B) restricts the amount of rent the organization  
1-63 may charge for dwelling units on the property; or

2-1 (2) the organization has entered into an agreement  
2-2 with each taxing unit for which the property receives an exemption  
2-3 to spend in each tax year for the purposes provided by Subsection  
2-4 (d) or (e)(2) [~~(e)(3)~~] an amount equal to the total amount of taxes  
2-5 imposed on the property in the tax year preceding the year in which  
2-6 the organization acquired the property.

2-7 SECTION 2. This Act takes effect immediately if it receives  
2-8 a vote of two-thirds of all the members elected to each house, as  
2-9 provided by Section 39, Article III, Texas Constitution. If this  
2-10 Act does not receive the vote necessary for immediate effect, this  
2-11 Act takes effect September 1, 2007.

2-12 \* \* \* \* \*