

By: Davis of Dallas

H.B. No. 3535

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the allocation of certain low income housing tax credit  
3 commitments.

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

5 SECTION 1. Section 2306.111(d-1), Government Code, is  
6 amended to read as follows:

7 (d-1) In allocating low income housing tax credit  
8 commitments under Subchapter DD, the department shall, before  
9 applying the regional allocation formula prescribed by Section  
10 2306.1115, set aside for at-risk developments, as defined by  
11 Section 2306.6702, not less than the minimum amount of housing tax  
12 credits required under Section 2306.6714. Funds or credits are  
13 also not required to be allocated according to the regional  
14 allocation formula under Subsection (d) if:

15 (1) the funds or credits are reserved for  
16 contract-for-deed conversions or for set-asides mandated by state  
17 or federal law, including the nonprofit set-aside mandated by  
18 Section 42(h)(5), Internal Revenue Code of 1986 (26 U.S.C. Section  
19 42(h)(5)), and each contract-for-deed allocation or set-aside  
20 allocation equals not more than 10 percent of the total allocation  
21 of funds or credits for the applicable program;

22 (2) the funds or credits are allocated by the  
23 department primarily to serve persons with disabilities; or

24 (3) the funds are housing trust funds administered by

1 the department under Sections 2306.201-2306.206 that are not  
2 otherwise required to be set aside under state or federal law and do  
3 not exceed \$3 million during each application cycle.

4 SECTION 2. This Act takes effect immediately if it receives  
5 a vote of two-thirds of all the members elected to each house, as  
6 provided by Section 39, Article III, Texas Constitution. If this  
7 Act does not receive the vote necessary for immediate effect, this  
8 Act takes effect September 1, 2009.