

SENATE AMENDMENTS

2nd Printing

By: Martinez

H.B. No. 2888

A BILL TO BE ENTITLED

AN ACT

relating to recipients of financial assistance administered by the Texas Department of Housing and Community Affairs.

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

SECTION 1. Section 2306.111, Government Code, is amended by adding Subsection (k) to read as follows:

(k) The department by rule shall:

(1) adopt policies to ensure that each housing development that receives financial assistance administered by the department, including financial assistance from the proceeds of bonds issued by the department:

(A) reserves a certain number of units in the development for individuals and families of very low income, to the extent that the reservation does not conflict with any requirements for the development under 26 U.S.C. Section 42; and

(B) except as otherwise permitted by law, accepts as tenants individuals and families receiving rental assistance under Section 8, United States Housing Act of 1937 (42 U.S.C. Section 1437f), or some other form of rental assistance from a political subdivision of this state or from the state or federal government; and

(2) establish enforcement mechanisms with respect to those housing developments that refuse to admit individuals and families as described by Subdivision (1)(B).

1 SECTION 2. (a) The change in law made by this Act in adding
2 Section 2306.111(k), Government Code, applies only to an
3 application for financial assistance that is submitted by a housing
4 development to the Texas Department of Housing and Community
5 Affairs on or after January 1, 2010. An application for financial
6 assistance that is submitted by a housing development to the
7 department before January 1, 2010, is governed by the law in effect
8 when the application was submitted, and the former law is continued
9 in effect for that purpose.

10 (b) Not later than December 1, 2009, the Texas Department of
11 Housing and Community Affairs shall adopt the rules required by
12 Section 2306.111(k), Government Code, as added by this Act.

13 SECTION 3. This Act takes effect September 1, 2009.

ADOPTED

MAY 27 2009

Atalay Dew
Secretary of the Senate

By: Roger W. N. H.B. No. 2888
Substitute the following for H.B. No. 2888:
By: Roger W. N. C.S. H.B. No. 2888

A BILL TO BE ENTITLED

1 AN ACT
2 relating to financial assistance administered by the Texas
3 Department of Housing and Community Affairs.

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

5 SECTION 1. Chapter 2306, Government Code, is amended by
6 adding Subchapter NN to read as follows:

7 SUBCHAPTER NN. VOLUNTEER INCOME TAX ASSISTANCE (VITA) GRANT
8 PROGRAM

9 Sec. 2306.1091. DEFINITION. In this subchapter, "volunteer
10 income tax assistance program" means a program operated through a
11 collaboration of the Internal Revenue Service and another entity
12 under which taxpayers eligible for the Free File program receive
13 free assistance in preparing federal income tax returns.

14 Sec. 2306.1092. ESTABLISHMENT OF VOLUNTEER INCOME TAX
15 ASSISTANCE (VITA) GRANT PROGRAM. The department shall establish a
16 volunteer income tax assistance grant program through which the
17 department will award grants each year to support the
18 implementation and operation of volunteer income tax assistance
19 programs.

20 Sec. 2306.1093. ADMINISTRATION OF GRANT PROGRAM. In the
21 year preceding the federal income tax filing season in which grant
22 recipients will operate volunteer income tax assistance programs,
23 the department shall issue a request for proposals to participate
24 in the grant program, select and notify grant recipients, and, on or

1 before November 1, distribute grant program money.

2 Sec. 2306.1094. ELIGIBILITY. To be eligible for a grant, an
3 applicant must be located in this state and be:

4 (1) a nonprofit educational institution, a nonprofit
5 faith-based or community-based organization, or any other
6 nonprofit organization;

7 (2) a political subdivision of this state, including a
8 county or municipality; or

9 (3) a regional or local coalition that has at least one
10 lead organization that meets the criteria specified by Subdivision
11 (1) or (2).

12 Sec. 2306.1095. PERFORMANCE AGREEMENT AND REPORT. Each
13 grant recipient shall enter into an agreement with the department
14 with respect to the use of the grant program money and submit a
15 performance report to the department.

16 Sec. 2306.1096. GRANT PROGRAM FUNDING. (a) To the extent
17 authorized by federal law and subject to appropriation for this
18 purpose, the department shall distribute as grants authorized by
19 this subchapter at least 0.25 percent of the funds received by this
20 state during each state fiscal biennium under the federal Temporary
21 Assistance for Needy Families block grant.

22 (b) The comptroller shall transfer funds received under the
23 federal Temporary Assistance for Needy Families block grant from
24 the Health and Human Services Commission to the department as
25 necessary to implement this section.

26 (c) In addition to funds described by Subsection (a), the
27 department shall distribute as grants authorized by this subchapter

1 other money that is appropriated for that purpose or designated by
2 the department and otherwise available for that purpose.

3 Sec. 2306.1097. RULES. The board shall adopt rules as
4 necessary to implement this subchapter, including rules providing
5 for a grant application process and for appropriate restrictions on
6 how the grant program money may be used.

7 SECTION 2. Section 2306.111, Government Code, is amended by
8 adding Subsection (k) to read as follows:

9 (k) The department by rule shall:

10 (1) adopt policies to ensure that each housing
11 development that receives financial assistance administered by the
12 department, including financial assistance from the proceeds of
13 bonds issued by the department:

14 (A) reserves a certain number of units in the
15 development for individuals and families of very low income, to the
16 extent that the reservation does not conflict with any requirements
17 for the development under 26 U.S.C. Section 42; and

18 (B) except as otherwise permitted by law, accepts
19 as tenants individuals and families receiving rental assistance
20 under Section 8, United States Housing Act of 1937 (42 U.S.C.
21 Section 1437f), or some other form of rental assistance from a
22 political subdivision of this state or from the state or federal
23 government; and

24 (2) establish enforcement mechanisms with respect to
25 those housing developments that refuse to admit individuals and
26 families as described by Subdivision (1)(B).

27 SECTION 3. If before implementing any provision of this Act

1 a state agency determines that a waiver or authorization from a
2 federal agency is necessary for implementation of that provision,
3 the agency affected by the provision shall request the waiver or
4 authorization and may delay implementing that provision until the
5 waiver or authorization is granted.

6 SECTION 4. (a) The change in law made by this Act in adding
7 Section 2306.111(k), Government Code, applies only to an
8 application for financial assistance that is submitted by a housing
9 development to the Texas Department of Housing and Community
10 Affairs on or after January 1, 2010. An application for financial
11 assistance that is submitted by a housing development to the
12 department before January 1, 2010, is governed by the law in effect
13 when the application was submitted, and the former law is continued
14 in effect for that purpose.

15 (b) Not later than December 1, 2009, the Texas Department of
16 Housing and Community Affairs shall adopt the rules required by
17 Section 2306.111(k), Government Code, as added by this Act.

18 SECTION 5. This Act takes effect September 1, 2009.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 27, 2009

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2888 by Martinez, "Mando" (Relating to financial assistance administered by the Texas Department of Housing and Community Affairs.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2888, As Passed 2nd House: an impact of \$0 through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|-------------|--|
| 2010 | \$0 |
| 2011 | \$0 |
| 2012 | \$0 |
| 2013 | \$0 |
| 2014 | \$0 |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from <i>Federal Funds</i> 555 | Change in Number of State Employees from FY 2009 |
|-------------|---|---|
| 2010 | (\$1,347,411) | 1.0 |
| 2011 | (\$1,215,642) | 1.0 |
| 2012 | (\$1,215,642) | 1.0 |
| 2013 | (\$1,215,642) | 1.0 |
| 2014 | (\$1,215,642) | 1.0 |

Fiscal Analysis

The bill would amend the Government Code relating to financial assistance administered by the Texas Department of Housing and Community Affairs (TDHCA).

The bill would establish the Volunteer Income Tax Assistance (VITA) Grant Program, to be administered by the TDHCA. The program would award grants to eligible organizations implementing VITA programs. Subject to legislative appropriation and to the extent authorized by federal law, TDHCA would distribute for VITA program grants at least 0.25 percent of the funds received by the state during each biennium under the federal Temporary Assistance for Needy Families (TANF) block grant. The Comptroller of Public Accounts would transfer funds received under the TANF block grant from the Health and Human Services Commission (HHSC) to TDHCA to implement this program.

This bill would take effect September 1, 2009.

Methodology

According to the analysis provided by TDHCA and information received from HHSC, currently the federal TANF block grant to the state is \$486,256,752. TDHCA estimates the total TANF funds available in fiscal year 2010 will be \$1,347,411, and in fiscal year 2011 through fiscal year 2014 a total of \$1,215,642 per year would be available for the program.

Based on information provided by TDHCA, it is assumed that implementation of the program would require the addition of one planner/contract specialist (1 FTE) who would be responsible for the preparation and release of the Notice of Funding Availability related to the VITA Program and with processing contracts, reviewing reports, and processing reimbursements related to the program. This analysis also assumes travel costs related to training and monitoring program subrecipients. Total staff related costs = Personnel \$47,267 + Travel \$4,250 + a Computer \$1,500 + Other Costs \$1000 = \$54,017 in Federal Funds.

To the extent that HHSC program caseloads that utilize TANF funding end up being less than current estimates, the agency may have TANF funding available. If a transfer occurs, and HHSC encounters a shortfall, it is assumed that HHSC may request use of unappropriated available balances of TANF through Article IX of the General Appropriations Act. If no TANF reserves are available, then the agency may seek to transfer General Revenue Funds to cover its needs.

Technology

The agency estimates an additional computer at a cost of \$1,500 would be needed for the new planner/contract specialist.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 332 Department of Housing and Community Affairs, 529 Health and Human Services Commission

LBB Staff: JOB, SZ, DB, MW, NV, ER, LI

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 20, 2009

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2888 by Martinez, "Mando" (Relating to financial assistance administered by the Texas Department of Housing and Community Affairs.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2888, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
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This bill would take effect September 1, 2009.

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Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 332 Department of Housing and Community Affairs, 529 Health and Human Services Commission

LBB Staff: JOB, DB, MW, NV, ER, LI

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 18, 2009

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2888 by Martinez, "Mando" (Relating to recipients of financial assistance administered by the Texas Department of Housing and Community Affairs.), As Engrossed

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: JOB, DB, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 26, 2009

TO: Honorable Yvonne Davis, Chair, House Committee on Urban Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2888 by Martinez, "Mando" (Relating to recipients of financial assistance administered by the Texas Department of Housing and Community Affairs.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: JOB, DB, NV

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 18, 2009

TO: Honorable Yvonne Davis, Chair, House Committee on Urban Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2888 by Martinez, "Mando" (Relating to recipients of financial assistance administered by the Texas Department of Housing and Community Affairs.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: JOB, DB, NV

