

BILL ANALYSIS

Senate Research Center
83R8875 JAM-F

H.B. 429
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

There is a lack of clarity regarding the term "rural area" as that term applies to an area qualified for the low-income housing tax credit program because in some Government Code statutes, "rural area" is applied to areas with population counts that are different from the program's definition of a "rural area." The parties contend that repealing the definition of "rural area" as it applies to the low-income housing tax credit program and clarifying the definition as it relates to the Texas Department of Housing and Community Affairs would expand eligibility for down payment assistance to include more low-income families in rural areas of Texas with significant housing demands. H.B. 429 seeks to reconcile the various definitions of "rural area" in an effort to increase the allocation of housing assistance in rural areas.

H.B. 429 amends current law relating to the definition of rural area for purposes of certain housing assistance administered by the Texas Department of Housing and Community Affairs.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2306.004(28-a), Government Code, to redefine "rural area" to include an area that is located in an area that is eligible for federal financial assistance provided under Section 514, 515, or 516 of the Housing Act of 1949 (42 U.S.C. Section 1484, 1485, or 1486), rather than an area that is located in an area that is eligible for funding by the Texas Rural Development Office of the United States Department of Agriculture, other than an area that is located in a municipality with a population of more than 50,000.

SECTION 2. Repealer: Section 2306.6702(12) (defining "rural area" in Subchapter DD (Low Income Housing Tax Credit Program)), Government Code.

SECTION 3. Provides that the change in law made by this Act applies only to an application for financial assistance that is submitted to the Texas Department of Housing and Community Affairs during an application cycle that begins on or after the effective date of this Act. Provides that an application for financial assistance that is submitted during an application cycle that began before the effective date of this Act is governed by the law in effect at the time the application cycle began, and the former law is continued in effect for that purpose.

SECTION 4. Effective date: upon passage or September 1, 2013.