

BILL ANALYSIS

C.S.H.B. 429
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Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties assert that 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 other Government Code statutes "rural area" is applied to areas with population counts that are different from the program's definition of "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 families of low income in rural areas of Texas with significant housing demands. C.S.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.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 429 amends the Government Code to repeal a provision that defines "rural area," for purposes of an application for low income tax credits under the low income housing tax credit program, as an area that is located outside the boundaries of a primary metropolitan statistical area (PMSA) or a metropolitan statistical area (MSA), within the boundaries of a PMSA or MSA if the statistical area has a population of 20,000 or less and does not share a boundary with an urban area, or in an area that is eligible for funding by the Texas Rural Development Office of the U.S. Department of Agriculture.

C.S.H.B. 429 redefines "rural area" as it relates to the Texas Department of Housing and Community Affairs to include an area located in an area eligible for federal financial assistance provided under the federal Housing Act of 1949, rather than in an area eligible for funding by the Texas Rural Development Office of the U.S. Department of Agriculture, other than an area that is located in a municipality with a population of more than 50,000.

C.S.H.B. 429 repeals Section 2306.6702(12), Government Code.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 429 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

No equivalent provision.

SECTION 1. Section 2306.6702(12), Government Code, is repealed.

SECTION 2. The change in law made by this Act applies only to an application for low income housing tax credits 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. An application 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 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 2306.004(28-a), Government Code, is amended to read as follows:

(28-a) "Rural area" means an area that is located:

(A) outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area;

(B) within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area, if the statistical area has a population of 25,000 or less and does not share a boundary with an urban area; or

(C) 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) [~~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. Same as introduced version.

SECTION 3. Substantially the same as introduced version.

SECTION 4. Same as introduced version.