

By: Isaac

H.B. No. 3777

A BILL TO BE ENTITLED

AN ACT

1
2 relating to local government approval of private activity bonds
3 issued by housing finance corporations.

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

5 SECTION 1. Subchapter E, Chapter 394, Local Government
6 Code, is amended by adding Section 394.058 to read as follows:

7 Sec. 394.058. APPROVAL OF BONDS BY LOCAL GOVERNMENT. (a)
8 Notwithstanding Chapter 1372, Government Code, or any other law, a
9 private activity bond used to finance all or part of a residential
10 development under this chapter may not be issued unless the
11 issuance is approved by all local governments whose boundaries
12 contain the development.

13 (b) A local government whose boundaries contain a proposed
14 residential development with respect to which the issuance of a
15 private activity bond is sought:

16 (1) must consider any public comment made at a hearing
17 required by the Tax Equity and Fiscal Responsibility Act of 1982
18 (TEFRA); and

19 (2) following the hearing, may refuse to approve the
20 issuance of a private activity bond for purposes of financing the
21 development.

22 SECTION 2. Section 394.9025(b), Local Government Code, is
23 repealed.

24 SECTION 3. This Act takes effect September 1, 2013.