

AN ACT

relating to compliance with certain requirements of programs administered by the Texas Department of Housing and Community Affairs.

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

SECTION 1. Section 2306.6721, Government Code, is transferred to Subchapter B, Chapter 2306, Government Code, redesignated as Section 2306.0504, Government Code, and amended to read as follows:

Sec. 2306.0504 [~~2306.6721~~]. DEBARMENT FROM PROGRAM PARTICIPATION. (a) The department shall develop, and the board by rule shall adopt, a policy providing for the debarment of a person from participation in programs administered by the department [~~the low income housing tax credit program as described by this section~~].

(b) The department may debar a person from participation in a department [~~the~~] program on the basis of the person's past failure to comply with any condition imposed by the department in the administration of its programs [~~connection with the allocation of housing tax credits~~].

(c) The department shall debar a person from participation in a department [~~the~~] program if the person:

(1) materially or repeatedly violates any condition imposed by the department in connection with the administration of

1 a department program, including a material or repeated violation of  
2 a land use restriction agreement regarding a development supported  
3 with a [allocation of] housing tax credit allocation [credits]; or

4 (2) is debarred from participation in federal housing  
5 programs by the United States Department of Housing and Urban  
6 Development [~~or~~

7 [~~(3) is in material noncompliance with or has~~  
8 ~~repeatedly violated a land use restriction agreement regarding a~~  
9 ~~development supported with a housing tax credit allocation].~~

10 (d) A person debarred by the department from participation  
11 in a department [the] program may appeal the person's debarment to  
12 the board.

13 SECTION 2. Subsection (a), Section 2306.6717, Government  
14 Code, is amended to read as follows:

15 (a) Subject to Section 2306.67041, the department shall  
16 make the following items available on the department's website:

17 (1) as soon as practicable, any proposed application  
18 submitted through the preapplication process established by this  
19 subchapter;

20 (2) before the 30th day preceding the date of the  
21 relevant board allocation decision, except as provided by  
22 Subdivision (3), the entire application, including all supporting  
23 documents and exhibits, the application log, a scoring sheet  
24 providing details of the application score, and any other document  
25 relating to the processing of the application;

26 (3) not later than the third working day after the date  
27 of the relevant determination, the results of each stage of the

1 application process, including the results of the application  
2 scoring and underwriting phases and the allocation phase;

3 (4) before the 15th day preceding the date of board  
4 action on the amendment, notice of an amendment under Section  
5 2306.6712 and the recommendation of the director and monitor  
6 regarding the amendment; and

7 (5) an appeal filed with the department or board under  
8 Section 2306.0504 or 2306.6715 [~~or 2306.6721~~] and any other  
9 document relating to the processing of the appeal.

10 SECTION 3. Section 2306.6719, Government Code, is amended  
11 by adding Subsections (c), (d), (e), and (f) to read as follows:

12 (c) For a violation other than a violation that poses an  
13 imminent hazard or threat to health and safety, the department must  
14 provide the owner of a development with the following periods to  
15 correct a failure to comply with a condition or law described by  
16 Subsection (a)(1) or (2):

17 (1) 30 days for a failure to file the annual owner's  
18 compliance report; and

19 (2) 90 days for any other failure to comply under this  
20 section.

21 (d) For good cause shown, the executive director may extend  
22 the periods provided under Subsection (c).

23 (e) For purposes of determining eligibility to apply for and  
24 receive financial assistance from the department, a development may  
25 not be considered to be in noncompliance with an applicable  
26 condition or law if the owner of the development takes appropriate  
27 corrective action during the period provided under Subsection (c).

1        (f) Notwithstanding Subsection (e), the department shall:

2                (1) submit to the applicable federal agency any report  
3 required by federal law regarding an owner's noncompliance with a  
4 condition or law described by Subsection (a)(1) or (2); and

5                (2) for purposes of developing and administering the  
6 policy relating to debarment under Section 2306.0504, consider  
7 recurring violations of a condition or law described by Subsection  
8 (a)(1) or (2), including violations that are corrected during the  
9 applicable period provided under Subsection (c).

10        SECTION 4. This Act takes effect September 1, 2013.

S.B. No. 659

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 659 passed the Senate on April 25, 2013, by the following vote: Yeas 30, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 659 passed the House on May 22, 2013, by the following vote: Yeas 145, Nays 3, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor