Amend CSHB 74 (senate committee printing), in SECTION 2 of the bill, in added Section 2306.6740, Government Code, by striking added Subsection (b) and substituting the following:

(b) Rules adopted under this section must:

- (1) provide procedures by which a political subdivision or a census-designated place may apply for a rural designation;
- (2) provide guidelines for designating an area as rural, including specifying:
- (A) conditions under which a rural designation is not appropriate, including the proximity of the area to or the presence of major amenities commonly associated with urban or suburban areas; and
- (B) conditions under which a rural designation is appropriate, including areas with low population density, the proximity of the area to or the absence of major amenities commonly associated with urban or suburban areas, a high level of undeveloped land, a significant presence of unimproved roads, or significant agricultural activity; and
- (3) ensure that any housing tax credits allocated to a designated rural area comply with applicable federal requirements regarding that assistance.