

BILL ANALYSIS

Senate Research Center

S.B. 976
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Chapter 1372 (Private Activity Bonds and Certain Other Bonds), Government Code, currently permits the submission of an application for a tax-exempt private activity volume cap for qualified residential rental facilities located at multiple sites only if no other applications are submitted from the same county for projects located in that county. Consequently, an issuer cannot submit more than one application that combines multiple sites into a single project application in the same calendar year.

S.B. 976 would permit an issuer, created by a municipal housing authority that is located in a city that borders Mexico and in a county that borders Mexico with a population greater than 800,000, in its application to the Texas Bond Review Board under Chapter 1372, for a portion of the state ceiling of tax-exempt private activity bonds, to combine more than one “qualified residential rental project” into a single “project” as part of the housing authority’s participation in the U.S. Department of Housing and Urban Development (HUD) public housing “privatization” program, called the Rental Assistance Demonstration (RAD) Program, if the “project” is related to the housing authority’s conversion of its public housing units to private ownership, as permitted the HUD RAD Program.

As proposed, S.B. 976 amends current law relating to certain rental assistance projects financed by private activity bonds.

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 1372.002, Government Code, by adding Subsection (f), as follows:

(f) Authorizes an applicant, notwithstanding Subsection (c) (authorizing an application under this chapter to include either the rehabilitation or new construction, or both the rehabilitation and new construction, of qualified residential rental facilities located at multiple sites and with respect to which 51 percent or more of the residential units are located in a county with a population of less than 75,000, or in a county in which the median income is less than the median income for the state, provided that the units are located in that portion of the county that is not included in a metropolitan statistical area containing one or more projects that are proposed to be financed, in whole or in part, by an issuance of bonds), to combine more than one qualified residential rental project into a single project as part of a housing authority's participation in the United States Department of Housing and Urban Development's Rental Assistance Demonstration program if the project is related to the conversion of the housing authority's public housing units as permitted under that program and if the applicant:

(1) was created by a municipal housing authority established under Chapter 392 (Housing Authorities Established by Municipalities and Counties), Local Government Code;

(2) is located in a city that borders Mexico; and

(3) is situated in a county that borders Mexico with a population greater than 800,000.

SECTION 2. Effective date: upon passage or September 1, 2015.