

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1658
By: Watson
Intergovernmental Relations
5/7/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

C.S.S.B. 1658 asks the Texas Department of Housing and Community Affairs, assisted by the Office of the Comptroller of Public Accounts of the State of Texas, to study the feasibility, methods, and costs of establishing a low income housing tax credit program in Texas. Among the multiple questions to be studied are how this program would generate tax savings for Texas businesses, areas of funding that could be used for such a program, and how to best produce the greatest availability of affordable housing. The report would be submitted to the legislature by September 1, 2016.

C.S.S.B. 1658 amends current law relating to a study and report on the establishment of a franchise tax credit for the development of low income housing.

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. (a) Defines "department."

(b) Requires the Texas Department of Housing and Community Affairs (TDHCA) to conduct a study to evaluate the feasibility, methods, and costs of establishing a franchise tax credit for the development of low income housing.

(c) Requires TDHCA, in conducting the study, to:

(1) evaluate and identify any sources of funding that might be available to cover the probable cost of the credit;

(2) evaluate methods that have been implemented by other states to provide a similar tax credit for the development of low income housing and identify the method or methods that have resulted in the greatest increase in the number of affordable housing units;

(3) consider potential credit amounts and estimate:

(A) the number of affordable housing units that would result from each credit amount; and

(B) the probable cost of each credit amount;

(4) estimate any tax savings to businesses that would result if the credit could be sold or exchanged; and

(5) identify the state agency or agencies that could most efficiently implement and administer the credit.

(d) Requires the comptroller of public accounts of the State of Texas to assist TDHCA in conducting the study at TDHCA's request.

(e) Requires TDHCA, not later than September 1, 2016, to submit to the legislature a written report on the results of the study and any recommendations for legislative or other action.

(f) Provides that this Act expires September 1, 2017.

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