

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 30, 2015

TO: Honorable Eddie Lucio Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1658 by Watson (Relating to a study and report on the feasibility, methods, and costs of establishing a Texas low income housing tax credit program.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill amends the Government Code relating to a study and report on the feasibility, methods, and costs of establishing a Texas low income housing tax credit program. The bill directs the Department of Housing and Community Affairs (TDHCA), with assistance from the Texas Comptroller of Public Accounts (CPA) to conduct a study regarding the establishment of a low income housing tax credit program for the state of Texas. The bill calls for the agency to evaluate and identify potential funding sources; evaluate other states programs and identify which methods produce the greatest number of housing units; consider the number of affordable housing units provided under varying funding levels; evaluate the tax savings realized by Texas businesses through the sale or exchange of the low income housing tax credits; and identify the state agencies best positioned to implement and administer such a program. The bill calls for the agency to provide a report to the legislature of their findings and recommendations no later than September 1, 2016. Based on the analysis of TDHCA and the CPA, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would take effect immediately upon receiving a two-thirds majority vote in each house. Otherwise, the bill would take effect September 1, 2015.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 332 Department of Housing and Community Affairs

LBB Staff: UP, KVe, NV, JSm, LCO