**BILL ANALYSIS**

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| Senate Research Center | H.B. 3574 |
|  | By: Collier (Menéndez) |
|  | Intergovernmental Relations |
|  | 5/19/2017 |
|  | Engrossed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Interested parties note that many urban areas in Texas are in need of more affordable rental housing but contend that scoring and ranking applications for low income housing tax credits using an area's educational quality too often means that areas most in need of the credits are considered ineligible. H.B. 3574 seeks to address this issue by allowing educational quality to be considered as part of the threshold criteria for those applications while prohibiting its consideration in scoring and ranking the application.

H.B. 3574 amends current law relating to the allocation of low income housing tax credits.

**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 2306.6710(a), Government Code, to authorize the Texas Department of Housing and Community Affairs (TDHCA) to consider educational equality as part of the threshold criteria, but prohibits TDHCA from considering educational equality under Section 2306.6710(b) (relating to requiring TDHCA to score and rank an application for the low income housing tax credit program based on a certain point system).

SECTION 2. Provides that the change in law made by this Act applies only to an application for low income housing tax credits that is submitted to TDHCA during an application cycle that is based on the 2018 qualified allocation plan or a subsequent plan adopted by the governing board of the department under Section 2306.67022 (Qualified Allocation Plan; Manual), Government Code. Provides that an application that is submitted during an application cycle that is based on an earlier qualified allocation plan is governed by the law in effect on the date the application cycle began, and the former law is continued in effect for that purpose.

SECTION 3. Effective date: September 1, 2017.