

BILL ANALYSIS

Senate Research Center
86R23358 JAM-D

H.B. 1973
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Applications for low income housing tax credits are evaluated in part based on a written statement from the state representative who represents the district containing the proposed development site. Competition for the tax credits is competitive, and it has been suggested that if no written statement is received, the points that could have been awarded based on the statement should be reallocated to not disqualify a proposal based on this category alone. H.B. 1973 seeks to address this issue by setting out provisions relating to the system by which an application for a low income housing tax credit is scored when a state representative chooses not to provide a statement on a proposal.

H.B. 1973 amends current law relating to the system by which an application for a low income housing tax credit is scored.

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, Government Code, by adding Subsection (g), as follows:

(g) Requires the Texas Department of Housing and Community Affairs (TDHCA), if no written statement is received for an application under Subsection (b)(1)(J) (relating to requiring TDHCA, if an application satisfies the threshold criteria, to score and rank the application using a point system that prioritizes certain criteria in descending order, including the level of community support for the application), to use the maximum number of points that could have been awarded under that paragraph to increase the maximum number of points that may be awarded for that application under Subsection (b)(1)(B) (relating to relating to requiring TDHCA, if an application satisfies the threshold criteria, to score and rank the application using a point system that prioritizes certain criteria in descending order, including quantifiable community participation with respect to the development). Requires TDHCA, if awarding points under Subsection (b)(1)(B)(iii) (relating to evaluating quantifiable community participation on the basis of a certain resolution adopted by the commissioners court of a county), to reallocate the points from the scoring category provided by Subsection (b)(1)(J) equally between the political subdivisions described by Subsection (b)(1)(B)(iii). Requires TDHCA, in awarding points transferred under this subsection from the scoring category provided by Subsection (b)(1)(J) to the scoring category provided by Subsection (b)(1)(B), to award:

- (1) positive points for positive resolutions adopted;
- (2) negative points for negative resolutions adopted; and
- (3) zero points for neutral resolutions adopted.

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 2020 qualified allocation plan or a subsequent plan adopted by the governing board of TDHCA. 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 that the former law is continued in effect for that purpose.

SECTION 3. Effective date: September 1, 2019.