

By: Cortez

H.B. No. 249

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the requirements for an application for a low income
3 housing tax credit allocation from the nonprofit set-aside.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 2306.6706(a), Government Code, is
6 amended to read as follows:

7 (a) In addition to the information required by Section
8 2306.6705, an application for a housing tax credit allocation from
9 the nonprofit set-aside, as defined by Section 42(h)(5), Internal
10 Revenue Code of 1986 (26 U.S.C. Section 42(h)(5)), must contain the
11 following written, detailed information with respect to each
12 development owner and each general partner of a development owner:

13 (1) Internal Revenue Service documentation of
14 designation as a Section 501(c)(3) or 501(c)(4) organization;

15 (2) evidence that one of the exempt purposes of the
16 nonprofit organization is to provide low income housing;

17 (3) a description of the nonprofit organization's
18 participation in the construction or rehabilitation of the
19 development and in the ongoing operations of the development;

20 (4) evidence that the nonprofit organization
21 prohibits a member of its board of directors, other than a chief
22 staff member serving concurrently as a member of the board, from
23 receiving material compensation for service on the board;

24 (5) a third-party legal opinion stating that the

1 nonprofit organization is not affiliated with or controlled by a
2 for-profit organization and the basis for that opinion;

3 (6) a copy of the nonprofit organization's most recent
4 audited financial statement;

5 (7) a list of the names [~~and home addresses~~] of members
6 of the board of directors of the nonprofit organization; and

7 (8) a third-party legal opinion stating that the
8 nonprofit organization is eligible under Subsection (b) for a
9 housing tax credit allocation from the nonprofit set-aside and the
10 basis for that opinion[~~, and~~

11 [~~(9) evidence that a majority of the members of the~~
12 ~~nonprofit organization's board of directors principally reside:~~

13 [~~(A) in this state, if the development is located~~
14 ~~in a rural area; or~~

15 [~~(B) not more than 90 miles from the development~~
16 ~~in the community in which the development is located, if the~~
17 ~~development is not located in a rural area]~~.

18 SECTION 2. The change in law made by this Act applies only
19 to an application for low income housing tax credits that is
20 submitted to the Texas Department of Housing and Community Affairs
21 during an application cycle that is based on the 2022 qualified
22 allocation plan or a subsequent plan adopted by the governing board
23 of the department under Section [2306.67022](#), Government Code. An
24 application that is submitted during an application cycle that is
25 based on an earlier qualified allocation plan is governed by the law
26 in effect on the date the application cycle began, and the former
27 law is continued in effect for that purpose.

1 SECTION 3. This Act takes effect September 1, 2021.