

By: Walle

H.B. No. 1931

A BILL TO BE ENTITLED

1 AN ACT
2 relating to requirements for beneficial tax treatment related to a
3 leasehold or other possessory interest in a public facility used to
4 provide multifamily housing.

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

6 SECTION 1. Section 303.042(f), Local Government Code, is
7 amended to read as follows:

8 (f) Notwithstanding Subsections (a) and (b), during the
9 period of time that a corporation owns a particular public
10 facility, a leasehold or other possessory interest in the real
11 property of the public facility granted by the corporation shall
12 be treated in the same manner as a leasehold or other possessory
13 interest in real property granted by an authority under Section
14 379B.011(b) if the requirements under Section 303.0425 are met.

15 SECTION 2. Subchapter B, Chapter 303, Local Government
16 Code, is amended by adding Section 303.0425 to read as follows:

17 Sec. 303.0425. REQUIREMENTS FOR BENEFICIAL TAX TREATMENT
18 RELATING TO CERTAIN PUBLIC FACILITIES. (a) In this section:

19 (1) "Developer" means a private entity that constructs
20 or rehabilitates a development.

21 (2) "Housing choice voucher program" means the housing
22 choice voucher program under Section 8, United States Housing Act
23 of 1937 (42 U.S.C. Section 1437f).

24 (3) "Housing development" means a development

1 constructed or rehabilitated to provide multifamily housing.

2 (4) "Public facility user" means a developer or other
3 private entity that has a leasehold or other possessory interest in
4 a public facility used to provide multifamily housing.

5 (b) Section 303.042(f) applies to a leasehold or other
6 possessory interest in a public facility only if the public
7 facility user meets the requirements of this section. The
8 requirements prescribed by this section apply only to the
9 application of taxes related to a leasehold or other possessory
10 interest in a public facility under Section 303.042(f) and do not
11 restrict the authority of a corporation to lease a public facility
12 to a private entity under terms other than the terms described by
13 this section.

14 (c) A public facility user must reserve at least 10 percent
15 of the residential units in a housing development for individuals
16 or families participating in the housing choice voucher program if
17 the development is located:

18 (1) in the attendance zone of an elementary school
19 that has passed accountability standards adopted by the Texas
20 Education Agency for the most recent school year available;

21 (2) in the attendance zone of a high school with a
22 graduation rate of at least 85 percent; and

23 (3) in a census tract in which:

24 (A) fewer than 10 percent of the households have
25 a household income equal to or less than the federal poverty line;
26 and

27 (B) the median income for households is equal to

1 or greater than 80 percent of area median income.

2 (d) A public facility user may not:

3 (1) refuse to rent a residential unit in a housing
4 development to an individual or family because the individual or
5 family participates in the housing choice voucher program; or

6 (2) use a financial or minimum income standard that
7 requires an individual or family participating in the housing
8 choice voucher program to have a monthly income of more than 250
9 percent of the individual's or family's share of the total monthly
10 rent payable for a residential unit.

11 SECTION 3. Section 303.0425, Local Government Code, as
12 added by this Act, applies only to a leasehold or other possessory
13 interest in a public facility granted by a public facility
14 corporation to a public facility user, as defined by that section,
15 on or after the effective date of this Act.

16 SECTION 4. This Act takes effect September 1, 2021.