

Amend CSHB 2071 (house committee report) as follows:

(1) In added Section 303.0425(a), Local Government Code, add the following appropriately numbered subdivision and renumber subsequent subdivisions of the subsection accordingly:

(____) "Department" means the Texas Department of Housing and Community Affairs.

(2) Strike page 8, line 24, through page 10, line 26, and substitute the following:

(i) The department shall conduct an annual audit of each public facility user of a multifamily residential development claiming an exemption under Section 303.042(c) and to which Section 303.0421 applies, to:

(1) determine whether the public facility user is in compliance with this section and Section 303.0421; and

(2) identify the difference in the rent charged for income-restricted residential units and the estimated maximum market rents that could be charged for those units without the rent or income restrictions.

(j) The department shall complete and publish a report regarding the findings of an audit conducted under Subsection (i).

The report must:

(1) be made available on the department's Internet website;

(2) be issued to a public facility user that has an interest in a development that is the subject of an audit; and

(3) describe in detail the nature of any failure to comply with the requirements in this section and Section 303.0421.

(j-1) The department shall adopt forms and reporting standards for the auditing process.

(k) The initial audit report required by Subsection (j) is due not later than June 1 of the year following the first anniversary of:

(1) the date of acquisition for an occupied multifamily residential development that is acquired by a corporation; or

(2) the date a new multifamily residential development first becomes occupied by one or more tenants.

(k-1) Subsequent audit reports following the issuance of the initial audit report under Subsection (k) are due not later than June 1 of each year.

(1) Not later than the 60th day after the date of receipt of the department's audit report under Subsection (j)(2), a public facility user shall provide a copy of the report to the comptroller, the appraisal district containing the development that is the subject of the report, the corporation, the governing body of the corporation's sponsor, and, if the corporation's sponsor is a housing authority, the elected officials who appointed the housing authority's governing board.

(1-1) Not later than June 1 of each year for which an audit is required under Subsection (i), a public facility user to which Section 303.0421 applies shall pay to the department a fee of \$40 per unit contained in the development, as determined by the audit, to reimburse the department for expenses related to the audit.

(1-2) An exemption under Section 303.042(c) does not apply for a tax year in which a multifamily residential development that is owned by a public facility corporation created under this chapter is determined by an audit conducted under Subsection (i) to not be in compliance with the requirements of this section and Section 303.0421.

(1-3) An audit conducted under Subsection (i) is subject to disclosure under Chapter 552, Government Code, except that information containing tenant names, unit numbers, or other tenant identifying information may be redacted.

(3) On page 14, strike lines 12-25 and substitute the following:

(d) Notwithstanding any other provision of this section:

(1) Sections 303.0425(g), (i), (j), (k), (l), (1-1), and (1-2), Local Government Code, as added by this Act, apply to all multifamily residential developments owned by a public facility corporation; and

(2) the initial audit report required to be submitted under Section 303.0425(j), Local Government Code, as added by this Act, for a multifamily residential development that was approved or acquired by a public facility corporation before the effective date

of this Act must be submitted by the later of:

(A) the date established by Section 303.0425(k),
Local Government Code, as added by this Act; or

(B) June 1, 2024.

(4) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Not later than January 1, 2024, the Texas Department of Housing and Community Affairs shall adopt rules necessary to implement Section 303.0425(i), Local Government Code, as added by this Act.