

AN ACT

relating to certain public facilities, including public facilities used to provide affordable housing.

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

SECTION 1. Section 303.021, Local Government Code, is amended by adding Subsection (d) to read as follows:

(d) A corporation or a sponsor may finance, own, or operate a multifamily residential development only if:

(1) the corporation or sponsor complies with all applicable provisions of this chapter; and

(2) the development is located:

(A) inside the area of operation of the sponsor, if the sponsor is a housing authority; or

(B) if the sponsor is not a housing authority, inside the boundaries of the sponsor, without regard to whether the sponsor is authorized to own property or provide services outside the boundaries of the sponsor.

SECTION 2. Subchapter B, Chapter 303, Local Government Code, is amended by adding Section 303.0415 to read as follows:

Sec. 303.0415. APPLICABILITY OF LAWS RELATING TO CONFLICT OF INTEREST. A member of the board of a corporation or a member of the governing body of a sponsor of a corporation is subject to the same restrictions as a local public official under Chapter 171.

SECTION 3. The heading to Section 303.042, Local Government

1 Code, is amended to read as follows:

2 Sec. 303.042. TAXATION; EXEMPTION.

3 SECTION 4. Subchapter B, Chapter 303, Local Government  
4 Code, is amended by adding Section 303.0421, and a heading is added  
5 to that section to read as follows:

6 Sec. 303.0421. MULTIFAMILY RESIDENTIAL DEVELOPMENTS OWNED  
7 BY PUBLIC FACILITY CORPORATIONS.

8 SECTION 5. Section 303.0421, Local Government Code, as  
9 added by this Act, is amended by adding Subsections (a), (c), (d),  
10 (g), (h), and (i) to read as follows:

11 (a) This section applies to a multifamily residential  
12 development that is owned by a corporation created under this  
13 chapter, except that this section does not apply to a multifamily  
14 residential development that:

15 (1) has at least 20 percent of its residential units  
16 reserved for public housing units;

17 (2) participates in the Rental Assistance  
18 Demonstration program administered by the United States Department  
19 of Housing and Urban Development;

20 (3) receives financial assistance administered under  
21 Chapter 1372, Government Code, or receives financial assistance  
22 from another type of tax-exempt bond; or

23 (4) receives financial assistance administered under  
24 Subchapter DD, Chapter 2306, Government Code.

25 (c) A multifamily residential development that is owned by a  
26 corporation created under this chapter by a housing authority and  
27 to which Subsection (a) applies must hold a public hearing, at a

1 meeting of the authority's governing body, to approve the  
2 development.

3 (d) Notwithstanding Subsection (b), an occupied multifamily  
4 residential development that is acquired by a corporation and to  
5 which Subsection (a) applies is eligible for an exemption under  
6 Section 303.042(c) for:

7 (1) the one-year period following the date of the  
8 acquisition, regardless of whether the development complies with  
9 the requirements of Subsection (b); and

10 (2) a year following the year described by Subdivision  
11 (1) only if the development comes into compliance with the  
12 requirements of Subsection (b) not later than the first anniversary  
13 of the date of the acquisition.

14 (g) Subsection (f) does not apply to taxes imposed on a  
15 multifamily residential development by a conservation and  
16 reclamation district created under Section 52, Article III, or  
17 Section 59, Article XVI, Texas Constitution, that provides water,  
18 sewer, or drainage services to the development, unless the  
19 applicable corporation has entered into a written agreement with  
20 the district to make a payment to the district in lieu of taxation,  
21 in the amount specified in the agreement.

22 (h) Subject to Subsection (i), an exemption under Section  
23 303.042(c) for a multifamily residential development to which  
24 Subsection (a) applies expires:

25 (1) for an occupied multifamily residential  
26 development that is acquired by a corporation, on the 30th  
27 anniversary of the date of the acquisition by the corporation; and

1           (2) for a multifamily residential development not  
2 described by Subdivision (1), on the 60th anniversary of the date  
3 the development receives, from the corporation or the corporation's  
4 sponsor, the final approval under this chapter that is necessary to  
5 obtain the exemption.

6           (i) An exemption under Section 303.042(c) for a multifamily  
7 residential development to which Subsection (a) applies may be  
8 extended for the same term of years applicable to the length of the  
9 development's exemption under Subsection (h) if:

10           (1) in the five-year period preceding the expiration  
11 of the exemption under Subsection (h), the corporation provides  
12 notice of the extension to the governing body of the municipality in  
13 which the development is located or, if the development is not  
14 located in a municipality, the county in which the development is  
15 located;

16           (2) the extension is approved in the same manner as was  
17 required for the preceding approval of the exemption; and

18           (3) the development is in compliance with, and  
19 maintains compliance with, this section and Section 303.0425.

20           SECTION 6. Section 303.042(c), Local Government Code, is  
21 amended to read as follows:

22           (c) Subject to Section 303.0421(h), a [A] corporation is  
23 engaged exclusively in performance of charitable functions and is  
24 exempt from taxation by this state or a municipality or other  
25 political subdivision of this state. Bonds issued by a corporation  
26 under this chapter, a transfer of the bonds, interest on the bonds,  
27 and a profit from the sale or exchange of the bonds are exempt from

1 taxation by this state or a municipality or other political  
2 subdivision of this state.

3 SECTION 7. Sections 303.042(d), (e), and (f), Local  
4 Government Code, are transferred to Section 303.0421, Local  
5 Government Code, as added by this Act, redesignated as Sections  
6 303.0421(b), (e), and (f), Local Government Code, and amended to  
7 read as follows:

8 (b) Notwithstanding Section 303.042(c) and subject to  
9 Subsections (c) and (d) of this section, an [(d) An] exemption under  
10 Section 303.042(c) [this section] for a multifamily residential  
11 development to which Subsection (a) applies is available [which is  
12 owned by a public facility corporation created by a housing  
13 authority under this chapter and which does not have at least 20  
14 percent of its units reserved for public housing units, applies]  
15 only if:

16 (1) the requirements under Section 303.0425 are met  
17 [housing authority holds a public hearing, at a regular meeting of  
18 the authority's governing body, to approve the development]; [and]

19 (2) at least:

20 (A) 10 percent of the units in the multifamily  
21 residential development are reserved for occupancy as lower income  
22 housing units, as defined under Section 303.0425; and

23 (B) 40 [50] percent of the units in the  
24 multifamily residential development are reserved for occupancy as  
25 moderate income housing units, as defined under Section 303.0425;

26 (3) the corporation delivers to the presiding officer  
27 of the governing body of each taxing unit in which the development

1 is to be located written notice of the development, at least 30 days  
2 before the date:

3 (A) the corporation takes action to approve a new  
4 multifamily residential development or the acquisition of an  
5 occupied multifamily residential development; and

6 (B) of any public hearing required to be held  
7 under this section;

8 (4) if a majority of the members of the board are not  
9 elected officials, the development is approved by the governing  
10 body of the municipality in which the development is located or, if  
11 the development is not located in a municipality, the county in  
12 which the development is located;

13 (5) for an occupied multifamily residential  
14 development that is acquired by a corporation and not otherwise  
15 subject to a land use restriction agreement under Section 2306.185,  
16 Government Code:

17 (A) not less than 15 percent of the total gross  
18 cost of the existing development, as shown in the settlement  
19 statement, is expended on rehabilitating, renovating,  
20 reconstructing, or repairing the development, with initial  
21 expenditures and construction activities:

22 (i) beginning not later than the first  
23 anniversary of the date of the acquisition; and

24 (ii) finishing not later than the third  
25 anniversary of the date of the acquisition; or

26 (B) at least 25 percent of the units are reserved  
27 for occupancy as lower income housing units, as defined under

1 Section 303.0425, and the development is approved by the governing  
2 body of the municipality in which the development is located or, if  
3 the development is not located in a municipality, the county in  
4 which the development is located; and

5 (6) not less than 30 days before final approval of the  
6 development:

7 (A) the corporation or corporation's sponsor  
8 conducts, or obtains from a professional entity that has experience  
9 underwriting affordable multifamily residential developments and  
10 does not have a financial interest in the applicable development,  
11 developer, or public facility user, an underwriting assessment of  
12 the proposed development that allows the corporation to make a good  
13 faith determination that:

14 (i) for an occupied multifamily residential  
15 development acquired by a corporation, the total annual amount of  
16 rent reduction on the income-restricted units provided at the  
17 development will be not less than 60 percent of the estimated amount  
18 of the annual ad valorem taxes that would be imposed on the property  
19 without an exemption under Section 303.042(c) for the second,  
20 third, and fourth years after the date of acquisition by the  
21 corporation; and

22 (ii) for a newly constructed multifamily  
23 residential development, the development would not be feasible  
24 without the participation of the corporation; and

25 (B) the corporation publishes on its Internet  
26 website a copy of the underwriting assessment described by  
27 Paragraph (A) [~~by individuals and families earning less than 80~~

1 ~~percent of the area median family income].~~

2 (e) For the purposes of Subsection (a) [~~(d)~~], a "public  
3 housing unit" is a residential [~~dwelling~~] unit for which the  
4 landlord receives a public housing operating subsidy. It does not  
5 include a unit for which payments are made to the landlord under the  
6 federal Section 8 Housing Choice Voucher Program.

7 (f) Notwithstanding Sections 303.042(a) and (b) and except  
8 as otherwise provided by this section [~~Subsections (a) and (b)~~],  
9 during the period [~~of time~~] that a corporation owns a particular  
10 public facility that is a multifamily residential development:

11 (1) [✓] a leasehold or other possessory interest in  
12 the real property of the public facility granted by the corporation  
13 shall be treated in the same manner as a leasehold or other  
14 possessory interest in real property granted by an authority under  
15 Section 379B.011(b); and

16 (2) the materials used by a person granted a  
17 possessory interest described by Subdivision (1) to improve the  
18 real property of the public facility shall be exempt from all sales  
19 and use taxes because the materials are for the benefit of the  
20 corporation.

21 SECTION 8. Subchapter B, Chapter 303, Local Government  
22 Code, is amended by adding Sections 303.0425, 303.0426, and  
23 303.0427 to read as follows:

24 Sec. 303.0425. ADDITIONAL REQUIREMENTS FOR BENEFICIAL TAX  
25 TREATMENT RELATING TO CERTAIN PUBLIC FACILITIES. (a) In this  
26 section:

27 (1) "Developer" means a private entity that constructs



1 a development, including the rehabilitation, renovation,  
2 reconstruction, or repair of a development.

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

6 (3) "Lower income housing unit" means a residential  
7 unit reserved for occupancy by an individual or family earning not  
8 more than 60 percent of the area median income, adjusted for family  
9 size, as defined by the United States Department of Housing and  
10 Urban Development.

11 (4) "Moderate income housing unit" means a residential  
12 unit reserved for occupancy by an individual or family earning not  
13 more than 80 percent of the area median income, adjusted for family  
14 size, as defined by the United States Department of Housing and  
15 Urban Development.

16 (5) "Public facility user" means a public-private  
17 partnership entity or a developer or other private entity that has  
18 an ownership interest or a leasehold or other possessory interest  
19 in a public facility that is a multifamily residential development.

20 (b) The percentage of lower and moderate income housing  
21 units reserved in each category of units in the development, based  
22 on the number of bedrooms per unit, must be the same as the  
23 percentage of each category of housing units reserved in the  
24 development as a whole.

25 (c) The monthly rent charged per unit may not exceed:

26 (1) for a lower income housing unit, 30 percent of 60  
27 percent of the area median income, adjusted for family size, as

1 defined by the United States Department of Housing and Urban  
2 Development; or

3 (2) for a moderate income housing unit, 30 percent of  
4 80 percent of the area median income, adjusted for family size, as  
5 defined by the United States Department of Housing and Urban  
6 Development.

7 (d) In calculating the income of an individual or family for  
8 a lower or moderate income housing unit, the public facility user  
9 must use the definition of annual income described in 24 C.F.R.  
10 Section 5.609, as implemented by the United States Department of  
11 Housing and Urban Development. If the income of a tenant exceeds an  
12 applicable limit at the time of the renewal of a lease agreement for  
13 a residential unit, the provisions of Section 42(g)(2)(D), Internal  
14 Revenue Code of 1986, apply in determining whether the unit may  
15 still qualify as a lower or moderate income housing unit.

16 (e) The public facility user may not:

17 (1) refuse to rent a residential unit to an individual  
18 or family because the individual or family participates in the  
19 housing choice voucher program; or

20 (2) use a financial or minimum income standard that  
21 requires an individual or family participating in the housing  
22 choice voucher program to have a monthly income of more than 250  
23 percent of the individual's or family's share of the total monthly  
24 rent payable for a unit.

25 (f) A public facility user may require an individual or  
26 family participating in the housing choice voucher program to pay  
27 the difference between the monthly rent for the applicable unit and

1 the amount of the monthly voucher if the amount of the voucher is  
2 less than the rent.

3 (g) A corporation that owns or leases to a public facility  
4 user a public facility used as a multifamily residential  
5 development shall publish on its Internet website information about  
6 the development's:

7 (1) compliance with the requirements of this section;  
8 and

9 (2) policies regarding tenant participation in the  
10 housing choice voucher program.

11 (h) The public facility user shall:

12 (1) affirmatively market available residential units  
13 directly to individuals and families participating in the housing  
14 choice voucher program; and

15 (2) notify local housing authorities of the  
16 multifamily residential development's acceptance of tenants in the  
17 housing choice voucher program.

18 (i) Each lease agreement for a residential unit in a  
19 multifamily residential development subject to this section must  
20 provide that:

21 (1) the landlord may not retaliate against the tenant  
22 or the tenant's guests by taking an action because the tenant  
23 established, attempted to establish, or participated in a tenant  
24 organization;

25 (2) the landlord may only choose to not renew the lease  
26 if the tenant:

27 (A) is in material noncompliance with the lease,

1 including nonpayment of rent;

2 (B) committed one or more substantial violations  
3 of the lease;

4 (C) failed to provide required information on the  
5 income, composition, or eligibility of the tenant's household; or

6 (D) committed repeated minor violations of the  
7 lease that:

8 (i) disrupt the livability of the property;

9 (ii) adversely affect the health and safety  
10 of any person or the right to quiet enjoyment of the leased premises  
11 and related development facilities;

12 (iii) interfere with the management of the  
13 development; or

14 (iv) have an adverse financial effect on  
15 the development, including the failure of the tenant to pay rent in  
16 a timely manner; and

17 (3) to not renew the lease, the landlord must serve a  
18 written notice of proposed nonrenewal on the tenant not later than  
19 the 30th day before the effective date of nonrenewal.

20 (j) A tenant may not waive the protections provided by  
21 Subsection (i).

22 (k) Requirements under this subchapter relating to the  
23 reservation of income-restricted residential units or income  
24 restrictions applicable to tenants of a multifamily residential  
25 development subject to this subchapter must be documented in a land  
26 use restriction agreement or a similar restrictive instrument that:

27 (1) ensures that the applicable restrictions are in

1 effect for not less than 10 years; and

2 (2) is recorded in the real property records of the  
3 county in which the development is located.

4 (1) An agreement or instrument recorded under Subsection  
5 (k) may be terminated if the development that is the subject of the  
6 agreement or instrument:

7 (1) is the subject of a foreclosure sale; or

8 (2) becomes ineligible for an exemption under Section  
9 303.042(c) for a reason other than the failure to comply with  
10 restrictions recorded in the agreement or instrument.

11 Sec. 303.0426. AUDIT REQUIREMENTS FOR CERTAIN MULTIFAMILY  
12 RESIDENTIAL DEVELOPMENTS. (a) In this section:

13 (1) "Department" means the Texas Department of Housing  
14 and Community Affairs.

15 (2) "Developer" has the meaning assigned by Section  
16 303.0425.

17 (3) "Public facility user" has the meaning assigned by  
18 Section 303.0425.

19 (b) A public facility user of a multifamily residential  
20 development claiming an exemption under Section 303.042(c) and to  
21 which Section 303.0421 applies must annually submit to the  
22 department and the chief appraiser of the appraisal district in  
23 which the development is located an audit report for a compliance  
24 audit, prepared at the expense of the public facility user and  
25 conducted by an independent auditor or compliance expert with an  
26 established history of providing similar audits on housing  
27 compliance matters, to:

1           (1) determine whether the public facility user is in  
2 compliance with Sections 303.0421 and 303.0425; and

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

7           (c) Not later than the 60th day after the date of receipt of  
8 the audit conducted under Subsection (b), the department shall  
9 examine the audit report and publish a report summarizing the  
10 findings of the audit. The report must:

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

13           (2) be issued to a public facility user that has an  
14 interest in a development that is the subject of an audit, the  
15 comptroller, the applicable corporation, the governing body of the  
16 corporation's sponsor, and, if the corporation's sponsor is a  
17 housing authority, the elected officials who appointed the housing  
18 authority's governing board; and

19           (3) describe in detail the nature of any failure to  
20 comply with the requirements in Sections 303.0421 and 303.0425.

21           (d) If an audit report submitted under Subsection (b)  
22 indicates noncompliance with Sections 303.0421 and 303.0425, a  
23 public facility user:

24           (1) must be given:

25           (A) written notice from the department or  
26 appropriate appraisal district that:

27           (i) is provided not later than the 45th day

1 after the date a report has been submitted under Subsection (b);  
2 (ii) specifies the reasons for  
3 noncompliance;  
4 (iii) contains at least one option for a  
5 corrective action to resolve the noncompliance; and  
6 (iv) informs the public facility user that  
7 failure to resolve the noncompliance will result in the loss of an  
8 exemption under Section 303.042(c);  
9 (B) 60 days after the date notice is received  
10 under this subdivision, to resolve the matter that is the subject of  
11 the notice; and  
12 (C) if a matter that is the subject of a notice  
13 provided under this subdivision is not resolved to the satisfaction  
14 of the department and the appropriate appraisal district during the  
15 period provided by Paragraph (B), a second notice that informs the  
16 public facility user of the loss of the exemption under Section  
17 303.042(c) due to noncompliance with Sections 303.0421 and  
18 303.0425; and  
19 (2) is considered to be in compliance with Sections  
20 303.0421 and 303.0425 if notice under Subdivision (1)(A) is not  
21 provided as specified by Subparagraph (i) of that paragraph.  
22 (e) An exemption under Section 303.042(c) does not apply for  
23 a tax year in which a multifamily residential development that is  
24 owned by a public facility corporation created under this chapter  
25 is determined by the department based on an audit conducted under  
26 Subsection (b) to not be in compliance with the requirements of  
27 Section 303.0421 or 303.0425.

1       (f) The initial audit report required by Subsection (b) is  
2 due not later than June 1 of the year following the first  
3 anniversary of:

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

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

9       (g) Subsequent audit reports following the issuance of the  
10 initial audit report under Subsection (f) are due not later than  
11 June 1 of each year.

12       (h) An independent auditor or compliance expert may not  
13 prepare an audit under Subsection (b) for more than three  
14 consecutive years for the same public facility user. After the  
15 third consecutive audit, the independent auditor or compliance  
16 expert may prepare an audit only after the second anniversary of the  
17 preparation of the third consecutive audit.

18       (i) The department shall adopt forms and reporting  
19 standards for the auditing process.

20       (j) An audit conducted under Subsection (b) is subject to  
21 disclosure under Chapter 552, Government Code, except that  
22 information containing tenant names, unit numbers, or other tenant  
23 identifying information may be redacted.

24       Sec. 303.0427. STUDY OF TAX EXEMPTIONS FOR MULTIFAMILY  
25 RESIDENTIAL DEVELOPMENTS OWNED BY PUBLIC FACILITY CORPORATIONS.

26       (a) In this section, "board" means the Legislative Budget Board.

27       (b) The board shall conduct a study that assesses the



1 long-term effects on the state's funding and revenue, including  
2 funding for public education, of ad valorem tax exemptions and  
3 sales and use tax exemptions for multifamily housing developments  
4 under Sections 303.042(c) and 303.0421(f).

5 (c) Not later than December 10, 2024, the board shall submit  
6 to the governor, the lieutenant governor, and the speaker of the  
7 house of representatives a report on the results of the study. The  
8 report must include an estimate of:

9 (1) the funding or revenue that the state has lost as a  
10 result of the exemptions; and

11 (2) the potential increase in funding or revenue that  
12 would result from the repeal of the exemptions.

13 (d) The board may delegate any authority granted to the  
14 board under this section that the board determines is necessary to  
15 conduct the study under this section.

16 (e) This section expires January 1, 2025.

17 SECTION 9. Section 392.005, Local Government Code, is  
18 amended by amending Subsections (c) and (d) and adding Subsection  
19 (c-1) to read as follows:

20 (c) An exemption under this section for a multifamily  
21 residential development which is owned by [~~(i) a public facility~~  
22 ~~corporation created by a housing authority under Chapter 303, (ii)]~~  
23 a housing development corporation~~[7]~~ or [~~(iii)]~~ a similar entity  
24 created by a housing authority, other than a public facility  
25 corporation created by a housing authority under Chapter 303, and  
26 which does not have at least 20 percent of its residential units  
27 reserved for public housing units, applies only if:

1           (1) the authority holds a public hearing, at a regular  
2 meeting of the authority's governing body, to approve the  
3 development; and

4           (2) at least 50 percent of the units in the multifamily  
5 residential development are reserved for occupancy by individuals  
6 and families earning less than 80 percent of the area median  
7 ~~[family]~~ income, adjusted for family size.

8           (c-1) An exemption under this section for a multifamily  
9 residential development which is owned by a public facility  
10 corporation created by a housing authority under Chapter 303  
11 applies only if:

12           (1) at least 50 percent of units in the multifamily  
13 residential development are reserved for occupancy by individuals  
14 and families earning not more than 80 percent of the area median  
15 income, adjusted for family size; and

16           (2) the development:

17           (A) has at least 20 percent of its residential  
18 units reserved for public housing units;

19           (B) participates in the Rental Assistance  
20 Demonstration program administered by the United States Department  
21 of Housing and Urban Development;

22           (C) receives financial assistance administered  
23 under Chapter 1372, Government Code, or receives financial  
24 assistance from another type of tax-exempt bond; or

25           (D) receives financial assistance administered  
26 under Subchapter DD, Chapter 2306, Government Code.

27           (d) For the purposes of Subsections ~~[Subsection]~~ (c) and

1 (c-1), a "public housing unit" is a residential [~~dwelling~~] unit for  
2 which the owner receives a public housing operating subsidy. It  
3 does not include a unit for which payments are made to the landlord  
4 under the federal Section 8 Housing Choice Voucher Program.

5 SECTION 10. (a) Subject to Subsections (b), (c), and (d) of  
6 this section, Sections 303.0421 and 303.0425, Local Government  
7 Code, as added by this Act, apply only to a tax imposed for a tax  
8 year beginning on or after the effective date of this Act.

9 (b) Subject to Subsections (c) and (d) of this section,  
10 Sections 303.0421 and 303.0425, Local Government Code, as added by  
11 this Act, apply only to a multifamily residential development that  
12 is approved on or after the effective date of this Act by a public  
13 facility corporation or the sponsor of a public facility  
14 corporation, in accordance with Chapter 303, Local Government Code.  
15 A multifamily residential development that was approved by a public  
16 facility corporation or the sponsor of a public facility  
17 corporation before the effective date of this Act is governed by the  
18 law in effect on the date the development was approved by the  
19 corporation or sponsor, and the former law is continued in effect  
20 for that purpose.

21 (c) Subject to Subsection (d) of this section, Section  
22 303.0421(d), Local Government Code, as added by this Act, applies  
23 only to an occupied multifamily residential development that is  
24 acquired by a public facility corporation on or after the effective  
25 date of this Act. An occupied multifamily residential development  
26 that is acquired by a public facility corporation before the  
27 effective date of this Act is governed by the law in effect on the

1 date the development was acquired by the public facility  
2 corporation, and the former law is continued in effect for that  
3 purpose.

4 (d) Notwithstanding any other provision of this section:

5 (1) Section 303.0426, Local Government Code, as added  
6 by this Act, applies to all multifamily residential developments to  
7 which Section 303.0421 applies and with respect to which an  
8 exemption is sought or claimed under Section 303.042(c); and

9 (2) the initial audit report required to be submitted  
10 under Section 303.0426(b), Local Government Code, as added by this  
11 Act, for a multifamily residential development that was approved or  
12 acquired by a public facility corporation before the effective date  
13 of this Act must be submitted by the later of:

14 (A) the date established by Section 303.0426(f),  
15 Local Government Code, as added by this Act; or

16 (B) June 1, 2024.

17 SECTION 11. Not later than January 1, 2024, the Texas  
18 Department of Housing and Community Affairs shall adopt rules  
19 necessary to implement Section 303.0426, Local Government Code, as  
20 added by this Act.

21 SECTION 12. This Act takes effect immediately if it  
22 receives a vote of two-thirds of all the members elected to each  
23 house, as provided by Section 39, Article III, Texas Constitution.  
24 If this Act does not receive the vote necessary for immediate  
25 effect, this Act takes effect September 1, 2023.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2071 was passed by the House on April 26, 2023, by the following vote: Yeas 142, Nays 5, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2071 on May 25, 2023, by the following vote: Yeas 115, Nays 20, 3 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2071 was passed by the Senate, with amendments, on May 19, 2023, by the following vote: Yeas 28, Nays 3.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor