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et al.

H.B. No. 2966

A BILL TO BE ENTITLED

AN ACT

relating to requirements for beneficial tax treatment related to a leasehold or other possessory interest in a public facility used to provide affordable housing.

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

SECTION 1. Section 303.042, Local Government Code, is amended by amending Subsection (d) and adding Subsection (d-1) to read as follows:

(d) An exemption under this section for a multifamily residential development which is owned by a public facility corporation created ~~[by a housing authority]~~ under this chapter and which does not have at least 20 percent of its units reserved for public housing units, applies only if:

(1) the sponsor of the corporation ~~[housing authority]~~ holds a public hearing, at a regular meeting of the sponsor's ~~[authority's]~~ governing body, to approve the development; ~~[and]~~

(2) at least 75 ~~[50]~~ percent of the units in the multifamily residential development are reserved for occupancy by individuals and families earning less than 80 percent of the area median family income, adjusted for family size; and

(3) not later than April 1 of each year, the corporation submits to the chief appraiser of the appraisal district in which the development is located an audit report for a compliance audit conducted by an independent auditor or compliance

1 expert that establishes that the multifamily residential  
2 development is in compliance with the requirements of this section.

3 (d-1) An exemption under this section does not apply for a  
4 tax year in which a multifamily residential development that is  
5 owned by a public facility corporation created under this chapter  
6 and that is required to submit an audit report under Subsection (d):

7 (1) does not submit the required audit report; or  
8 (2) submits an audit report that does not establish  
9 that the development is in compliance with the requirements of this  
10 section.

11 SECTION 2. The change in law made by Section 303.042, Local  
12 Government Code, as amended by this Act, applies only to a  
13 multifamily residential development that is approved on or after  
14 the effective date of this Act. A multifamily residential  
15 development that is approved before the effective date of this Act  
16 is governed by the law in effect on the date the development was  
17 approved, and the former law is continued in effect for that  
18 purpose.

19 SECTION 3. This Act takes effect September 1, 2023.