

By: Eckhardt

S.B. No. 199

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 multifamily housing.

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

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

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

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

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

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

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

(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 may not:

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

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

23 SECTION 3. Section 303.0425, Local Government Code, as
24 added by this Act, applies only to a leasehold or other possessory
25 interest in a public facility granted by a public facility
26 corporation to a public facility user, as defined by that section,
27 on or after the effective date of this Act.

1 SECTION 4. This Act takes effect September 1, 2023.