

**BILL ANALYSIS**

H.B. 1865  
By: Moody  
Intergovernmental Affairs  
Committee Report (Unamended)

**BACKGROUND AND PURPOSE**

The bill author has informed the committee that the "per development cap," the cap on the amount of low income housing tax credits the governing board of the Texas Department of Housing and Community Affairs may allocate to an individual development in a single application round under the low income housing tax credit program, has not been raised by the Texas Legislature since 2011 when it was first established in statute at \$2 million. H.B. 1865 seeks to address this issue by raising the cap from \$2 million to \$3 million.

**CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

**RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

**ANALYSIS**

H.B. 1865 amends the Government Code to raise from \$2 million to \$3 million the cap on the amount of low income housing tax credits the governing board of the Texas Department of Housing and Community Affairs (TDHCA) may allocate to an individual development in a single application round under the low income housing tax credit program.

H.B. 1865 applies only to an application for low income housing tax credits that is submitted to TDHCA during an application cycle that is based on the 2026 qualified allocation plan or a subsequent plan adopted by the governing board of the department. An application that is submitted during an application cycle that is based on an earlier qualified allocation plan is governed by the law in effect on the date the application cycle began, and the former law is continued in effect for that purpose.

**EFFECTIVE DATE**

September 1, 2025.