

BILL ANALYSIS

H.B. 4045
By: Bell, Cecil
Intergovernmental Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

State representatives have the authority to issue statements of support, opposition, or neutrality regarding low income housing tax credit applications for developments in their respective districts. The state representative's position is translated into points used by the Texas Department of Housing and Community Affairs to score and rank the application. However, the bill author has informed the committee that due to the highly competitive nature and scoring rules of the low income housing tax credit program, a state representative's intent to provide a neutral statement, which results in no points, has the unintentional effect of eliminating the application from competition.

Under current law, applications for which no statement from a state representative is submitted are treated differently than applications for which a neutral statement is submitted. H.B. 4045 seeks to address this unequal treatment of tax credit applications by making certain requirements for the scoring of applications for which no statement is submitted also applicable to an application for which the representative submits a neutral statement.

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. 4045 amends the Government Code to require the Texas Department of Housing and Community Affairs (TDHCA), in scoring and ranking an application for low income housing tax credits for which the state representative of the district containing the proposed development site submits a written statement that does not express support for or against the application, to comply with the requirements prescribed under current law for applications for which no state representative statement is received with respect to the transfer of points that could have been awarded for that scoring category to the category relating to quantifiable community participation that is evaluated on the basis of resolutions adopted by applicable political subdivisions.

H.B. 4045 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 TDHCA. 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.