

BILL ANALYSIS

Senate Research Center
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S.B. 2260
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Local Government
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Affordable housing projects across Texas receive various forms of tax benefits and financial assistance, including tax abatements from local governments. These projects primarily fall into three categories:

- 4 percent Housing Tax Credit developments
- 9 percent Housing Tax Credit developments
- Public Facility Corporation developments

Currently, there is no centralized system to track these active projects or measure their cumulative impact on local tax rolls. This lack of transparency makes it difficult for both the public and government entities to effectively monitor and plan these developments.

S.B. 2260 addresses this gap by establishing a comprehensive reporting system and public database through the Texas Department of Housing and Community Affairs (TDHCA). This initiative will enhance transparency and provide valuable data for planning purposes at both state and local levels.

A committee substitute is anticipated in order to:

- Transition the reporting responsibility from political subdivisions to county appraisal districts, as these entities already process and track property tax exemptions.
- Expand the bill's coverage beyond Chapter 303 (Public Facility Corporations) tax exemptions to include properties receiving tax exemptions under Local Government Code Chapter 392.005 (Public Housing Authorities) and Chapter 394.905 (Housing Finance Corporations).
- Establish a clear data flow from appraisal districts to the Comptroller of Public Accounts and then to TDHCA, with tax exemption eligibility contingent on proper reporting. To create a more comprehensive and accurate database of tax-exempt multifamily properties while leveraging existing administrative infrastructure.
- Changing the reporting date from January 1 to October 1, to align with the beginning of the fiscal year.
- Changing the reporting date from March 1 to December 1, to align with the deadline for QAPs.

As proposed, S.B. 2260 amends current law relating to reports on information regarding certain multifamily residential developments to the Texas Department of Housing and Community Affairs.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 2306, Government Code, by adding Section 2306.009, as follows:

Sec. 2306.009. REQUIRED REPORT ON CERTAIN MULTIFAMILY RESIDENTIAL DEVELOPMENTS; PUBLIC DATABASE. (a) Provides that this section applies only to a multifamily residential development that receives financial assistance administered under Chapter 1372 (Private Activity Bonds and Certain Other Bonds), is allocated housing tax credits under Subchapter DD (Low Income Housing Tax Credit Program), or receives a property tax exemption in accordance with Section 303.042 (Taxation; Exemption), Local Government Code.

(b) Requires each political subdivision that contains in the political subdivision's boundaries a multifamily residential development to which this section applies, not later than January 1 of each year, to submit to the Texas Department of Housing and Community Affairs (TDHCA) a report that contains certain information.

(c) Requires TDHCA to implement a publicly accessible database that includes the name of each political subdivision that submits a report under Subsection (b) and the information included in each report, aggregated by political subdivision.

(d) Requires TDHCA to maintain information in the database implemented under Subsection (c) for each multifamily residential development included in a report under Subsection (b) for not less than two years after the date the development's benefits described by Subsection (a) have ended.

(e) Requires TDHCA, not later than March 1 of each year, to prepare and submit to the legislature a written report that contains the information contained in the database implemented under Subsection (c).

SECTION 2. Effective date: September 1, 2025.