

BILL ANALYSIS

H.B. 2405
By: González, Mary
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note that certain small rural communities that border major cities are considered urban for purposes of certain housing funding and contend that this causes the rural communities to compete with the major cities for such funding. H.B. 2405 seeks to address this issue by providing for the designation of certain sites as rural areas.

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. 2405 amends the Government Code to require the Texas Department of Housing and Community Affairs (TDHCA) to designate the site of a proposed or existing development as a rural area under the low income housing tax credit program for purposes of receiving housing tax credits allocated by the TDHCA under certain housing funds provisions if the development, before September 1, 2013, has been awarded or has received financial assistance under the federal Housing Act of 1949. The bill repeals a provision that authorizes such a development to apply for low income housing tax credits allocated under such housing funds provisions for the uniform state service region in which the development is located regardless of whether the development is located in a rural area. The bill requires the TDHCA to remove a rural area designation under applicable provisions on receipt of a request submitted on behalf of the affected political subdivision, census-designated place, or development site, as applicable. The bill requires the TDHCA to adopt rules to implement the bill.

H.B. 2405 repeals Section 2306.111(d-4), Government Code.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.