

BILL ANALYSIS

Senate Research Center
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H.B. 2398
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Intergovernmental Relations
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Engrossed

DIGEST

Currently, the housing trust fund is the only state authorized program for affordable housing, and is funded primarily with general revenue. Since 1992, the housing trust fund has been making loans and grants to affordable housing development organizations. Initially, loan funds were to be reimbursed to the housing fund which would then be made available for future housing development activities, thus, allowing the fund to grow. However, now that these funds have begun to be repaid, the law is unclear as to whether or not the housing trust fund is able to use the funds from repayment of loans made with general revenue. H.B. 2398 would set forth provisions for funding the housing trust fund.

PURPOSE

As proposed, H.B. 2398 sets forth provisions for funding the housing trust fund.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2306.201(b), Government Code, to include investment income among other investments, in the housing trust, including all interest, dividends, capital gains, or other income from the investment of any portion of the fund, and repayments received on loans made from the fund. Makes conforming changes.

SECTION 2. Emergency clause.
Effective date: upon passage.