

BILL ANALYSIS

Senate Research Center

C.S.H.B. 3574
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Intergovernmental Relations
5/22/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties note that many urban areas in Texas are in need of more affordable rental housing but contend that scoring and ranking applications for low income housing tax credits using an area's educational quality too often means that areas most in need of the credits are considered ineligible. H.B. 3574 seeks to address this issue by allowing educational quality to be considered as part of the threshold criteria for those applications while prohibiting its consideration in scoring and ranking the application.

C.S.H.B. 3574 differs from the original by adding a two year sunset provision, and requires the Texas Department of Housing and Community Affairs to do a study on the impact on tax credit scoring.

C.S.H.B. 3574 amends current law relating to the allocation of low income housing tax credits.

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 Section 2306.6710(a), Government Code, to authorize the Texas Department of Housing and Community Affairs (TDHCA) to consider educational quality as part of the threshold criteria, but prohibits TDHCA from considering educational quality as a scoring factor.

SECTION 2. Provides that the change in law made by this Act expires on August 31, 2019, and thereafter reverts to the law in effect prior to the enactment of these changes. Provides that the change 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 2018 qualified allocation plan or a subsequent plan adopted by the governing board of TDHCA under Section 2306.67022 (Qualified Allocation Plan; Manual), Government Code. Provides that 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.

SECTION 3. Requires TDHCA, not later than September 1, 2019, to report the outcome of considering educational quality in threshold and not as a scoring factor in an application.

SECTION 4. Effective date: September 1, 2017.