

AN ACT

relating to low income housing tax credits awarded for at-risk developments.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2306.6702(a)(5), Government Code, is amended to read as follows:

(5) "At-risk development" means:

(A) a development that:

(i) has received the benefit of a subsidy in the form of a below-market interest rate loan, interest rate reduction, rental subsidy, Section 8 housing assistance payment, rental supplement payment, rental assistance payment, or equity incentive under the following federal laws, as applicable:

(a) Sections 221(d)(3) and (5), National Housing Act (12 U.S.C. Section 1715l);

(b) Section 236, National Housing Act (12 U.S.C. Section 1715z-1);

(c) Section 202, Housing Act of 1959 (12 U.S.C. Section 1701q);

(d) Section 101, Housing and Urban Development Act of 1965 (12 U.S.C. Section 1701s);

(e) the Section 8 Additional Assistance Program for housing developments with HUD-Insured and HUD-Held Mortgages administered by the United States Department of

1 Housing and Urban Development as specified by 24 C.F.R. Part 886,
2 Subpart A;

3 (f) the Section 8 Housing Assistance
4 Program for the Disposition of HUD-Owned Projects administered by
5 the United States Department of Housing and Urban Development as
6 specified by 24 C.F.R. Part 886, Subpart C;

7 (g) Sections 514, 515, and 516,
8 Housing Act of 1949 (42 U.S.C. Sections 1484, 1485, and 1486); or

9 (h) Section 42, Internal Revenue Code
10 of 1986 (26 U.S.C. Section 42); and

11 (ii) is subject to the following
12 conditions:

13 (a) the stipulation to maintain
14 affordability in the contract granting the subsidy is nearing
15 expiration; or

16 (b) the HUD-insured or HUD-held
17 ~~[federally insured]~~ mortgage on the development is eligible for
18 prepayment or is nearing the end of its term; or

19 (B) a development that proposes to rehabilitate
20 or reconstruct housing units that:

21 (i) are owned by a public housing authority
22 and receive assistance under Section 9, United States Housing Act
23 of 1937 (42 U.S.C. Section 1437g); or

24 (ii) received assistance under Section 9,
25 United States Housing Act of 1937 (42 U.S.C. Section 1437g) and:

26 (a) are proposed to be disposed of or
27 demolished by a public housing authority; or

1 (b) have been disposed of or
2 demolished by a public housing authority in the two-year period
3 preceding the application for housing tax credits.

4 SECTION 2. The change in law made by this Act applies only
5 to an application for low income housing tax credits that is
6 submitted on or after the effective date of this Act. An
7 application for low income housing tax credits that is submitted
8 before the effective date of this Act is governed by the law in
9 effect when the application was submitted, and the former law is
10 continued in effect for that purpose.

11 SECTION 3. This Act takes effect September 1, 2015.

S.B. No. 1315

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1315 passed the Senate on May 11, 2015, by the following vote: Yeas 29, Nays 2.

Secretary of the Senate

I hereby certify that S.B. No. 1315 passed the House on May 27, 2015, by the following vote: Yeas 125, Nays 18, three present not voting.

Chief Clerk of the House

Approved:

Date

Governor