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S.B. No. 2328

A BILL TO BE ENTITLED

AN ACT

relating to certain occupancy preferences given by developments supported with a low income housing tax credit allocation.

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

SECTION 1. Section 2306.6701, Government Code, is amended to read as follows:

Sec. 2306.6701. PURPOSE. (a) The department shall administer the low income housing tax credit program to:

(1) encourage the development and preservation of appropriate types of rental housing for households, including members of a group specified by Subsection (b), that have difficulty finding suitable, affordable rental housing in the private marketplace;

(2) maximize the number of suitable, affordable residential rental units added to the state's housing supply;

(3) prevent losses for any reason to the state's supply of suitable, affordable residential rental units by enabling the rehabilitation of rental housing or by providing other preventive financial support under this subchapter; and

(4) provide for the participation of for-profit organizations and provide for and encourage the participation of nonprofit organizations in the acquisition, development, and operation of affordable housing developments in urban and rural communities.

1 (b) Consistent with Section 42(g)(9), Internal Revenue Code
2 of 1986, a development supported with a housing tax credit
3 allocation may give an occupancy preference to teachers and other
4 employees of the school district in which the development is
5 located, and members of the households of those persons, if all
6 other occupancy requirements under state and federal law are
7 satisfied.

8 SECTION 2. The change in law made by this Act applies only
9 to an application for low income housing tax credits that is
10 submitted to the Texas Department of Housing and Community Affairs
11 during an application cycle that is based on the 2024 qualified
12 allocation plan or a subsequent plan adopted by the governing board
13 of the department under Section [2306.67022](#) , Government Code. An
14 application that is submitted during an application cycle that is
15 based on an earlier qualified allocation plan is governed by the law
16 in effect on the date the application cycle began, and the former
17 law is continued in effect for that purpose.

18 SECTION 3. This Act takes effect September 1, 2023.