

BILL ANALYSIS

H.B. 1716
By: Flynn
Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised regarding recent changes to the Public Facility Corporation Act and the debate over whether those changes allow for a public facility corporation to finance, own, and operate certain multifamily residential developments. H.B. 1716 seeks to address these concerns by setting out provisions relating to certain public facilities financed, owned, and operated by a public facility corporation.

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. 1716 amends the Local Government Code to establish that a tax exemption for a multifamily residential development that is owned by a public facility corporation created under the Public Facility Corporation Act that meets only certain eligibility requirements applies only if at least 50 percent of the units in the development are reserved for occupancy by individuals and families earning less than 80 percent of the area median family income or the development accomplishes a governmental purpose of the corporation's sponsor. The bill considers the sponsor of a corporation that owns such a multifamily residential development the user of the public facility for the purposes of certain statutory provisions relating to the assessment of taxes. The bill establishes that the Public Facility Corporation Act expressly authorizes a sponsor to which the statutory tax exemption for a multifamily residential development does not apply to create a public facility corporation to finance, own, and operate a multifamily residential development that meets the requirements for an exemption under the bill.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.