

BILL ANALYSIS

Senate Research Center

S.B. 1733
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, there is no law in this state regarding disclosure of standards that constitute "just cause." Recently, the Internal Revenue Service ruled that a multi-family property that has been funded through the tax credit program is required to use "just cause" in its decisions to evict or refuse to renew a tenant's lease. This ruling found that the specific standards of behavior which constitute "just cause" are required to be detailed in all subject lease agreements.

As proposed, S.B. 1733 requires the Texas Department of Housing and Community Affairs to establish rules regarding lease terms for the management of properties that have been funded by low-income housing tax credits.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Housing and Community Affairs in SECTION 1 (Section 2306.0781, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 2306, Government Code, by adding Section 2306.0781, as follows:

Sec. 2306.0781. LEASE PROVISIONS CONSISTENT WITH FEDERAL LAW. Requires the Texas Department of Housing and Community Affairs (department), by rule, to require developments that receive or utilize housing tax credits to include in their lease agreement standards relating to termination and nonrenewal that are consistent with federal law.

SECTION 2. Effective date: September 1, 2007.

Requires the department to adopt all rules required by this Act not later than November 1, 2007.