

BILL ANALYSIS

Senate Research Center

S.B. 1717
By: West
Intergovernmental Relations
9/2/2009
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Federal rulings regarding tax credit developments require that "good cause" be established by judicial rulings, prior to the eviction of a tenant or the taking of a tenant's property. Existing Texas law permits personal property to be seized and temporary eviction, or "lockout," of general tenants without judicial authorization.

S.B. 1717 relates to regulation of owners of developments supported with low income housing tax credit allocations and of housing sponsors of certain multifamily housing developments.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Housing and Community Affairs in SECTION 1 (Section 2306.2631, Government Code) and SECTION 2 (Section 2306.6736, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter L, Chapter 2306, Government Code, by adding Section 2306.2631, as follows:

Sec. 2306.2631. REPORTS BY SPONSORS OF CERTAIN MULTIFAMILY HOUSING DEVELOPMENTS. (a) Provides that this section applies only to a housing sponsor of a multifamily housing development that receives financial assistance from the state; receives financial assistance from the federal government, including an allocation of low income housing tax credits; or is subject to a land use restriction agreement.

(b) Requires the Texas Department of Housing and Community Affairs (TDHCA) by rule to require the housing sponsor of a multifamily housing development to submit a quarterly report to TDHCA. Requires that the report include information that identifies the number of vacant units in the development at the time of the report and the number of days that each unit has been vacant.

(c) Requires TDHCA to provide to each member of the legislature, on request of that member, a report that disaggregates the information collected under Subsection (b) by zip code in the member's district.

SECTION 2. Amends Subchapter DD, Chapter 2306, Government Code, by adding Section 2306.6736, as follows:

Sec. 2306.6736. PROHIBITED PRACTICES. (a) Prohibits a development owner of a development supported with a housing tax credit allocation, notwithstanding any other law, from locking out or threatening to lock out any person residing in the development except by judicial process unless the exclusion results from a necessity to perform bona fide repairs or construction work or an emergency, or seize or threaten to seize the personal property of any person residing in the development except by judicial process unless the resident has abandoned the premises.

(b) Requires each development owner to include a conspicuous provision in the lease agreement prohibiting the owner from engaging in a practice described by

Subsection (a) and remove in the manner specified by TDHCA rule any provisions in the lease agreement that are contrary to Subsection (a).

SECTION 3. Requires TDHCA to adopt rules as necessary to implement and enforce Section 2306.6736, Government Code, as added by this Act, not later than November 1, 2009.

SECTION 4. Effective date: September 1, 2009.