

## **BILL ANALYSIS**

Senate Research Center  
76R6058 DB-D

S.B. 1506  
By: Truan  
Intergovernmental Relations  
4/6/1999  
As Filed

### **DIGEST**

The Low Income Housing Tax Credit Program (program) was created by the Tax Reform Act of 1986, and was first utilized by the real estate development community during 1987. The program is the primary means of directing private capital towards the creation of affordable rental housing. The tax credits provide developers of low income housing with a benefit that is used to offset the portion of their federal tax liability in exchange for the production of affordable rental housing. S.B. 1506 would require the allocation of tax credits to housing projects in counties with high unemployment and low median family income.

### **PURPOSE**

As proposed, S.B. 1506 requires the allocation of tax credits to housing projects in counties with high unemployment and low median family income.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 2306.675, Government Code, by adding Subsections (c) and (d), to require the Texas Department of Housing and Urban Affairs (department) to issue commitments for at least 20 percent of low-income housing tax credits to eligible housing projects in affected counties. Defines "affected county."

SECTION 2. Requires the department to issue at least 20 percent of the balance of the allocation of low-income housing tax credits for fiscal year 1999 on the effective date of this Act to eligible housing projects in affected counties.

SECTION 3. Emergency clause.  
Effective date: upon passage.