

1-1 By: Watson S.B. No. 990
 1-2 (In the Senate - Filed February 21, 2017; March 6, 2017,
 1-3 read first time and referred to Committee on Intergovernmental
 1-4 Relations; March 30, 2017, reported favorably by the following
 1-5 vote: Yeas 6, Nays 0; March 30, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Lucio	X			
1-8 Bettencourt	X			
1-9 Campbell	X			
1-10 Garcia	X			
1-11 Huffines	X			
1-12 Menéndez			X	
1-13 Taylor of Collin	X			

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the requirements for an application for a low income
 1-18 housing tax credit allocation from the nonprofit set-aside.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Section 2306.6706(a), Government Code, is
 1-21 amended to read as follows:

1-22 (a) In addition to the information required by Section
 1-23 2306.6705, an application for a housing tax credit allocation from
 1-24 the nonprofit set-aside, as defined by Section 42(h)(5), Internal
 1-25 Revenue Code of 1986 (26 U.S.C. Section 42(h)(5)), must contain the
 1-26 following written, detailed information with respect to each
 1-27 development owner and each general partner of a development owner:

1-28 (1) Internal Revenue Service documentation of
 1-29 designation as a Section 501(c)(3) or 501(c)(4) organization;

1-30 (2) evidence that one of the exempt purposes of the
 1-31 nonprofit organization is to provide low income housing;

1-32 (3) a description of the nonprofit organization's
 1-33 participation in the construction or rehabilitation of the
 1-34 development and in the ongoing operations of the development;

1-35 (4) evidence that the nonprofit organization
 1-36 prohibits a member of its board of directors, other than a chief
 1-37 staff member serving concurrently as a member of the board, from
 1-38 receiving material compensation for service on the board;

1-39 (5) a third-party legal opinion stating that the
 1-40 nonprofit organization is not affiliated with or controlled by a
 1-41 for-profit organization and the basis for that opinion;

1-42 (6) a copy of the nonprofit organization's most recent
 1-43 audited financial statement;

1-44 (7) a list of the names ~~[and home addresses]~~ of members
 1-45 of the board of directors of the nonprofit organization; and

1-46 (8) a third-party legal opinion stating that the
 1-47 nonprofit organization is eligible under Subsection (b) for a
 1-48 housing tax credit allocation from the nonprofit set-aside and the
 1-49 basis for that opinion~~], and~~

1-50 ~~[(9) evidence that a majority of the members of the~~
 1-51 ~~nonprofit organization's board of directors principally reside:~~

1-52 ~~[(A) in this state, if the development is located~~
 1-53 ~~in a rural area; or~~

1-54 ~~[(B) not more than 90 miles from the development~~
 1-55 ~~in the community in which the development is located, if the~~
 1-56 ~~development is not located in a rural area].~~

1-57 SECTION 2. The change in law made by this Act applies only
 1-58 to an application for low income housing tax credits that is
 1-59 submitted to the Texas Department of Housing and Community Affairs
 1-60 during an application cycle that is based on the 2018 qualified
 1-61 allocation plan or a subsequent plan adopted by the governing board

2-1 of the department under Section [2306.67022](#), Government Code. An
2-2 application that is submitted during an application cycle that is
2-3 based on an earlier qualified allocation plan is governed by the law
2-4 in effect on the date the application cycle began, and the former
2-5 law is continued in effect for that purpose.

2-6 SECTION 3. This Act takes effect September 1, 2017.

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