

1-1 By: Eckhardt, West S.B. No. 1944  
1-2 (In the Senate - Filed March 5, 2025; March 17, 2025, read  
1-3 first time and referred to Committee on Local Government;  
1-4 May 12, 2025, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 4, Nays 1; May 12, 2025,  
1-6 sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Bettencourt	X			
1-10	Middleton	X			
1-11	Cook	X			
1-12	Gutierrez			X	
1-13	Nichols		X		
1-14	Paxton	X			
1-15	West			X	

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1944 By: Cook

1-17 A BILL TO BE ENTITLED  
1-18 AN ACT

1-19 relating to the allocation of housing tax credits to developments  
1-20 within proximate geographical areas.  
1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-22 SECTION 1. Section 2306.6711, Government Code, is amended  
1-23 by amending Subsection (f-1) and adding Subsection (f-2) to read as  
1-24 follows:  
1-25 (f-1) The board may allocate housing tax credits to more  
1-26 than one development in a single community:  
1-27 (1) ~~only~~ if:  
1-28 (A) ~~[(1)]~~ the community is located in:  
1-29 (i) ~~[(A)]~~ a municipality with a population  
1-30 of two million or more; and  
1-31 (ii) ~~[(B)]~~ an area that is in a federally  
1-32 declared disaster area; and  
1-33 (B) ~~[(2)]~~ the governing body of the municipality  
1-34 containing the development:  
1-35 (i) ~~[(A)]~~ has by vote specifically  
1-36 authorized the allocation of housing tax credits for the  
1-37 development; and  
1-38 (ii) ~~[(B)]~~ is authorized to administer  
1-39 disaster recovery funds as a subgrant recipient; or  
1-40 (2) if:  
1-41 (A) the development is a high opportunity  
1-42 development;  
1-43 (B) the governing body of the municipality  
1-44 containing the development has by a two-thirds vote specifically  
1-45 authorized the allocation of housing tax credits for the  
1-46 development;  
1-47 (C) the development:  
1-48 (i) is in a zoning district or land use  
1-49 classification whereby the municipality allows multifamily  
1-50 residential, mixed-use, office, commercial, retail, or warehouse  
1-51 development; and  
1-52 (ii) is not subject to a deed restriction or  
1-53 regulation that prohibits multifamily residential, mixed-use,  
1-54 office, commercial, retail, and warehouse development; and  
1-55 (D) the development is located on a major  
1-56 arterial roadway.  
1-57 (f-2) For purposes of Subsection (f-1), "high opportunity  
1-58 development" means a development that is located entirely in:  
1-59 (1) an area that allows the development to receive the  
1-60 maximum possible points for the opportunity index established by

the department pursuant to 26 U.S.C. Section 42(m)(1)(C)(i);  
(2) a census tract with a poverty rate that is less  
than the greater of:

(A) 20 percent; or  
(B) the median poverty rate among census tracts  
in the uniform state service region; and

(3) a census tract that has:  
(A) a median household income in the two highest  
quartiles among census tracts within the uniform state service  
region; or

(B) a median household income in the third  
quartile among census tracts within the region, if:

(i) the census tract is contiguous to a  
census tract that:

(a) is in the first or second quartile  
among tracts for median household income in the region; and

(b) has a poverty rate that is less  
than the greater of 20 percent or the median poverty rate among  
tracts for the region; and

(ii) the development is located not more  
than two miles from the boundary between the census tract and the  
contiguous census tract described by Subparagraph (i).

SECTION 2. The change in law made by this Act applies only  
to an application for low income housing tax credits that is  
submitted to the Texas Department of Housing and Community Affairs  
during an application cycle that is based on the 2026 qualified  
allocation plan or a subsequent plan adopted by the governing board  
of the department. An application that is submitted during an  
application cycle that is based on an earlier qualified allocation  
plan is governed by the law in effect on the date the application  
cycle began, and the former law is continued in effect for that  
purpose.

SECTION 3. This Act takes effect September 1, 2025.

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