LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

March 6, 2003

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on International Relations and Trade

FROM: John Keel, Director, Legislative Budget Board

IN RE: **SB535** by Lucio (Relating to authorizing certain counties to regulate land development; providing a penalty.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 232, Local Government Code, to authorize counties located within 50 miles of an international border to regulate land development in the unincorporated area of the county and would provide a penalty for violations of the regulations. The commissioners court in the authorized counties would be allowed to adopt regulations relating to lots, buildings, structures, and location, as well as adopt building codes except for land appraised as agricultural or that is commercial.

The bill also outlines requirements that must be met by the person submitting an application for a permit before the commissioners court issues a building permit. The county would be allowed to collect a reasonable building permit fee to be deposited into the county's general fund and used only for administering the building permit program.

A penalty for violating the building codes would be a Class C misdemeanor, although a penalty could not be assessed if the owner-occupant is in a dwelling classified by the Texas Department of Housing and Community Affairs as a low-income household, unless the county provides a grant or loan to the owner-occupant to cure the violation. Repayment terms of the grant or loan could not cause the housing expenses to exceed 30 percent of the owner-occupant's net income.

The bill would take effect immediately if it receives two-thirds vote in each house; otherwise, it would take effect September 1, 2003.

Local Government Impact

Counties that would choose to regulate residential land development in the unincorporated area of the county and adopt a residential building code would incur expenses associated with issuing permits; however, the counties would be allowed to collect a fee to offset the costs of administering the permit program. If a county were required to provide a grant or a loan to an eligible owner-occupant who was in violation of the codes, the county would incur those costs until repayment by the owner-occupant is complete. If repayment is not forthcoming, the county would experience a revenue loss.

The fiscal impact would vary by county that regulates residential land development and that adopts a residential building code and would result in a significant loss only if the county makes loans or grants that are not repaid; otherwise, it is anticipated that the fiscal impact of the provisions of the bill would be insignificant.

Source Agencies:
LBB Staff: JK, EB, DLBa