

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 21, 2007**

**TO:** Honorable Fred Hill, Chair, House Committee on Local Government Ways & Means

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB1835** by Orr (Relating to restrictions on the imposition of permit fees by political subdivisions.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend the Local Government Code to limit the authority of a political subdivision to impose a permit fee. A regulatory agency of a political subdivision would be authorized to impose a permit fee only if the agency complies with Chapter 247, Local Government Code, created by the bill and only in the amount necessary to compensate the regulatory agency for its costs to review, process, and issue the permit for which the fee is imposed. Indirect costs could be calculated in an amount not to exceed 15 percent of the direct costs associated with reviewing, processing, and issuing the permit.

If a regulatory agency violates the provisions of Chapter 247, it would be liable for attorney's fees incurred by a person in the enforcement of the chapter.

**Local Government Impact**

If a regulatory agency of a political subdivision currently imposes a permit fee that is higher than the amount as calculated in the proposed Chapter 247, the agency would experience a revenue loss to come into compliance. That loss would depend on the difference in the amount of the fee currently imposed and the fee amount adjusted for compliance. If a regulatory agency has not been imposing a permit fee or has imposed one that is less than would be authorized by the bill, the agency would experience a revenue gain that would offset costs involved with reviewing, processing, and issuing permits.

**Source Agencies:**

**LBB Staff:** JOB, CT, DB