

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

Revision 1

April 24, 2009

TO: Honorable Garnet Coleman, Chair, House Committee on County Affairs

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

IN RE: HB3265 by Rose (Relating to granting Hill Country counties regulatory authority and the authority to impose certain development fees; providing penalties.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 231, Local Government Code, by adding Subchapter M to authorize certain counties to by order adopt land development regulations in the unincorporated area of the county. The bill stipulates general regulations and procedures. Included in the procedures would be holding an election to approve regulatory authority; authority to appoint a development commission to assist in implementing and enforcing regulations; and imposing an infrastructure cost recovery fee, but only after an infrastructure development plan is prepared. The commissioners court of any of the affected counties would be required to hold a public hearing to consider the infrastructure improvements and infrastructure cost recovery fee, and would be required to post notice of the hearing and send written notice by certified mail to the owner of the new development for which a fee is proposed.

A violation of orders adopted to enforce development regulation would be a misdemeanor offense, punishable by a fine of not less than \$500 and not more than \$1,000.

An applicable county that imposes an infrastructure improvement cost recovery fee would be required to annually submit a written certification to the attorney general, verifying compliance with the subchapter. A county that fails to submit a certification would be liable to the state for a civil penalty in an amount equal to 10 percent of the amount of the fee assessed in that fiscal year. A penalty collected would be deposited to the Housing Trust Fund.

The Office of the Attorney General anticipates any additional work resulting from the passage of the bill could be reasonably absorbed with current resources.

Local Government Impact

The Comptroller of Public Accounts contacted three counties in the Hill Country for the purpose of this analysis: Blanco, Hays, and Bandera.

The Blanco County Judge and the Bandera County Judge estimate that there would be no negative fiscal impact to their respective counties because the bill would not require actions, but only provide authorization.

Working through the County Auditor's Office, Hays County estimates that there would be no negative fiscal impact to the county if the commissioner's court chose not to adopt land development regulations. If the commissioners court chooses to adopt land development regulations and those regulations are approved by the voters, then start-up expenses would be \$310,000 for salaries, office equipment, a building, vehicles, and consultants. Hays County would have to hire a consulting firm to do a traffic study and infrastructure development plan. Additionally, the county may need the

assistance of a special counsel to get all 1,445 interlocal agreements in place prior to adoption. Hays County estimates a \$400 expense for countywide notification of the development regulations. Annual expenditures for fiscal years 2010-2014 are estimated to be \$640,000 for salaries, \$256,000 for benefits, \$30,000 for operating expenses, \$50,000 for furnishings, and \$150,000 for consultants. Hays County would create up to four positions: program specialist (2) and administrative assistant (2). Annual salaries for these new positions are estimated at \$35,000-\$45,000 for the program specialist and \$24,000-\$28,000 for the administrative assistant. It is possible that the county could generate income from fees and/or costs assessed; however no figures were provided by the County Auditor's Office.

The fiscal impact would vary by county and would depend on to what extent provisions are implemented.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts

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