

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 13, 2011

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

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

IN RE: HB3394 by Oliveira (Relating to county building code standards for new residential construction; providing a penalty.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 233 of the Local Government Code to grant certain counties additional powers regarding building code standards for new residential construction in an unincorporated area. The bill would authorize a county to regulate a triplex in a residential dwelling.

A county could, by order, establish a building permit requirement to ensure safe and uniform building standards and collect a fee not to exceed \$500 per application for deposit in the county's general fund to be used only for the building permit program. A county would be required to use an inspector certified by the International Code Council for building inspections. A utility could not serve or connect utilities to a new residential project until certified by the commissioners court.

The bill would create a Class B misdemeanor offense for multiple convictions of poor building standards and would authorize certain persons to enforce the standards. The bill would establish certain exceptions to the building code standard requirements.

A county could not apply for or receive state money to remediate or mitigate substandard housing associated with new residential construction on or after September 1, 2011, unless Subchapter F is adopted by a county. A Class B misdemeanor is punishable by a fine of not more than \$2,000, confinement in jail for a term not to exceed 180 days, or both.

Local Government Impact

There could be costs to a county to establish a building code standards program. In addition, there could be a positive fiscal impact to a county that established a program and received state funding for substandard housing and revenue from a building permit fee, but the amounts would vary depending on the amount of the fee imposed and the number of permits issued. It is assumed that a county would establish a building code standards program and charge the maximum allowable permit fee of \$500 to defray costs if sufficient funds were available or the net fiscal impact would be positive.

Costs associated with enforcement, prosecution, and confinement could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal implication.

Source Agencies:

LBB Staff: JOB, KKR, TP