

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 5, 2011

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

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

IN RE: SB1363 by Lucio (Relating to county and municipal land development regulations; providing a penalty.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to give certain counties additional powers and requirements regarding building code standards for new residential construction. The bill would include triplexes in residential buildings a county may regulate. A county could issue building permits to ensure safe and uniform building and collect a fee not to exceed \$500 per application to defray costs. A county would be required to use an inspector certified by the International Code Council for building inspections. A utility could not connect utilities to a new residential project until certified by the county.

The bill would create an offense, classified as a Class B misdemeanor, for multiple convictions of poor building standards and authorize certain attorneys to enforce the standards. A county could not punish a low-income household if the county did not make funds available to cure the violation. A county could not apply for or use state money to mitigate substandard housing unless Subchapter F is implemented 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.

The bill also would amend the Local Government Code to authorize a county or certain municipalities within 50 miles of an international border to regulate land development. A county or a municipality could regulate residential development including densities, height, building location and plans.

A county or a municipality could seek injunctive relief for violations and would be entitled to appropriate injunctive relief to prevent the violation or threatened violation of the entity's order or ordinance adopted under this subchapter from continuing or occurring. The bill would create a Class C misdemeanor for a violation. A Class C misdemeanor is punishable by a fine of not more than \$500.

Local Government Impact

There could be additional costs to a county to implement a building code standards program that would be required to receive or use state funding for substandard housing. In addition, a county could have a positive fiscal impact for the building permit fee, but the amounts would vary depending on the fee imposed and the number of permits issued. It is assumed that a county would charge the maximum allowed fee of \$500 to defray costs incurred for a building code standards program.

There could be costs to a county or a municipality to regulate land development, but the amounts would vary depending on the amount of land available for development. It is assumed that a county or a municipality would regulate land development only if sufficient resources existed within the budget or it would not result in a negative fiscal impact.

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

Source Agencies:

LBB Staff: JOB, KM, TP