

## **BILL ANALYSIS**

C.S.H.B. 14  
By: Harris, Cody  
Land & Resource Management  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

C.S.H.B. 14 would streamline the approval process for property development and building reviews, allowing for third-party reviews when cities and counties fail to act in a timely manner. According to the Texas Real Estate Research Center at Texas A&M University, in May 2022 the median home price in Texas was \$349,900. With the median household income in Texas based on U.S. Census Bureau data being lower than the income generally recommended for purchasing a home of that price, housing still remains unaffordable for many Texas workers.

Every hitch and delay in the development process, from reviews to supply chain to available labor to financing to inspections, adds to the final cost of housing, and every increase in cost leads buyers out of the market. According to the National Association of Home Builders, regulations are shown to account for 25 percent of the final price of a new single-family home.

With the state's continued population growth comes increased construction, which tends to result in backlogs at local planning and building departments as cities struggle to hire enough staff. Homebuilders and remodelers thus frequently have to wait for a city to review plans, plats, and permits and for building code inspectors to visit projects and approve in-process and completed work. As projects stand idle waiting for reviews and inspections, homeowners suffer due to lengthy delays in moving into their homes while watching their costs increase. The combination of all these adverse events is a damper on economic development.

Requiring cities and counties to accept third-party reviews and inspections by qualified professionals when they are unable to meet statutory deadlines will help reduce the backlogs. Some cities already use third-party reviews and inspections, which negates the necessity of trying to time hiring with building booms and droughts. C.S.H.B. 14 seeks to improve building times and help reduce housing costs by providing for a third-party review of development documents and inspection of improvements.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 14 amends the Local Government Code to set out provisions relating to third-party review of development documents and inspection of improvements under circumstances in which a regulatory authority does not timely take certain required action.

C.S.H.B. 14 authorizes any required review of a development document to be performed by a person, other than the applicant or a person whose work is the subject of the application, who meets any of the following qualifications if a regulatory authority does not approve, conditionally approve, or disapprove the document by the 15th day after the date prescribed by an applicable statute for that action:

- the person is employed by the regulatory authority to review development documents;
- the person is employed by another political subdivision to review development documents, if the regulatory authority has approved the person to review such documents; or
- the person is a licensed engineer.

C.S.H.B. 14 authorizes a required development inspection to be conducted by a person, other than the owner of the land or improvement to the land that is the subject of the inspection or a person whose work is the subject of the inspection, who meets any of the following qualifications if a regulatory authority does not conduct the inspection by the 15th day after the date prescribed by an applicable statute for conducting the inspection:

- the person is certified to inspect buildings by the International Code Council;
- the person is employed by the regulatory authority as a building inspector;
- the person is employed by another political subdivision as a building inspector, if the regulatory authority has approved the person to perform inspections; or
- the person is a licensed engineer.

C.S.H.B. 14 prohibits a regulatory authority from imposing a fee related to the review of a development document or the inspection of an improvement conducted under the bill's provisions. The bill requires a person who conducts such a review or inspection to do the following:

- review the document, conduct the inspection, and take all other related actions in accordance with all applicable provisions of law; and
- not later than the 15th day after the date the person completes the review or inspection, provide notice to the regulatory authority of the results of the review or inspection.

The bill authorizes a regulatory authority to prescribe a reasonable format for the notice.

C.S.H.B. 14 prohibits a regulatory authority from requesting or requiring an applicant to waive a deadline or other procedure under the bill's provisions. The bill authorizes a person to appeal the following decisions to a political subdivision's governing body:

- a decision to conditionally approve or disapprove a development document made by the regulatory authority for the political subdivision or a person authorized under the bill's provisions to perform the review of the document; or
- a decision regarding a development inspection conducted by the regulatory authority or a person authorized under the bill's provisions to perform the inspection.

The bill sets a deadline for filing such an appeal of not later than the 15th day after the date the decision being appealed is made. If the governing body hearing the appeal does not affirm the decision being appealed by a majority vote on or before the 60th day after the date the appeal is filed, the development document that is the subject of the appeal is considered approved or the development inspection that is the subject of the appeal is waived, as applicable.

C.S.H.B. 14 defines the following terms for purposes of its provisions:

- "regulatory authority" means the governing body of a political subdivision, or a department, board, commission, or other entity of the political subdivision, responsible for processing or approving a development document or conducting a development inspection;
- "development document" means a document, including an application for a plat, plan, or development permit, related to the development of or improvement to land that is required by law, ordinance, rule, or other measure to be approved by a regulatory

authority in order for a person to initiate, engage in, or complete the development or improvement;

- "development inspection" means the inspection of an improvement to land required by a regulatory authority as part of a project to develop the land or construct or improve an improvement to the land;
- "development permit" means a permit required by a regulatory authority to develop land or construct or improve an improvement to land; and
- "plan" and "plat" have the meaning assigned by statutory provisions relating to municipal regulation of subdivisions, except that "plat" also includes a development plat.

C.S.H.B. 14 applies only to a development document or a request for a development inspection that is submitted to the appropriate regulatory authority on or after the bill's effective date.

### **EFFECTIVE DATE**

September 1, 2023.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 14 differs from the introduced in minor or nonsubstantive ways to conform to certain bill drafting conventions, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes provisions providing for the appeal of a decision regarding a development inspection, whereas the introduced did not provide for such an appeal. The substitute also clarifies the decisions that may be appealed with respect to review of a development document. Whereas the introduced provided for the appeal of a decision made by a reviewer employed or approved by a regulatory authority to conditionally approve or disapprove a development document under the bill's provisions, the substitute provides for the appeal of a decision to conditionally approve or disapprove a development document made by the regulatory authority or a person authorized by the bill's provisions to perform the review of the document.