

## **BILL ANALYSIS**

C.S.H.B. 3135  
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Land & Resource Management  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Texas is facing a housing crunch as the state continues to lead the nation in population growth and economic development. Outdated land development regulations are providing unnecessary barriers to home construction. C.S.H.B. 3135 seeks to address this issue by requiring the governing bodies of certain political subdivisions to review the costs, benefits, and risks of their existing land development regulations.

### **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. 3135 amends the Local Government Code to require the governing body of a county, municipality, or a special purpose district that has authority over building codes, development, or land use in the district to review the costs, benefits, and risks of the political subdivision's existing land development regulations. The bill defines "land development regulation" as an ordinance, order, rule, or other regulation or standard of a political subdivision that regulates the following:

- zoning;
- subdivision requirements;
- development review and planning requirements;
- commercial, residential, and multifamily building and construction codes;
- fire, electric, heating, plumbing, energy conservation, water, and flooding codes;
- development license, permit, and application fees; or
- any other related aspect of land development as determined by the political subdivision.

C.S.H.B. 3135 requires the governing body to review each existing land development regulation at least once every 10 years, requires the initial review to be conducted not later than September 1, 2028, and requires a review to consider the following:

- the regulation's impact on housing development;
- whether the regulation remains appropriate and benefits landowners, residents, or the public;
- the benefits of the regulation for affected parties;
- the extent to which landowners, residents, or the public incur costs as a result of the regulation;

- the effect on persons regulated under the regulation; and
- the administrative or enforcement costs for the regulation that are paid by taxpayers.

C.S.H.B. 3135 requires the governing body, in reviewing a land development regulation, to hold at least one public hearing and provide an opportunity for public comment and, on completing a review, to repeal, amend, or readopt the regulation. The bill requires the governing body to repeal or amend a regulation that interferes with the production of new housing or development related to existing housing.

C.S.H.B. 3135 requires the governing body, before it may adopt or modify a land development regulation, to analyze the costs, benefits, and risks of the proposed regulation and issue an impact statement that includes the following:

- an analysis of the fiscal impact of the proposed regulation;
- a determination of whether the proposed regulation provides benefits to the health and welfare of the residents of the political subdivision that adopted or modified the regulation that outweigh any costs found by the analysis; and
- the proposed regulation's impact on housing costs in the political subdivision.

The bill authorizes a political subdivision to adopt or modify a proposed regulation only if it determines the following:

- the regulation is consistent with the political subdivision's public health and safety priorities;
- the regulation has a minimal fiscal impact; and
- the regulation positively impacts or does not adversely impact housing costs for residents of the political subdivision.

The bill requires a political subdivision to make the impact statement available for review by the public.

### **EFFECTIVE DATE**

September 1, 2023.

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

While C.S.H.B. 3135 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute revises the provision in the introduced defining the term "land development regulation" as follows:

- includes in the definition a standard of a political subdivision that regulates the applicable aspects of land development, which was absent from the introduced;
- includes the following among the regulated aspects of land development, none of which were included in the introduced:
  - electric, heating, plumbing, energy conservation, water, and flooding codes;
  - development license, permit, and application fees; and
  - any other unspecified related aspect of land development as determined by the political subdivision;
- whereas the introduced included development requirements among the regulated aspects, the substitute includes instead development review and planning requirements; and
- whereas the introduced included building codes among the regulated aspects, the substitute includes instead commercial, residential, and multifamily building and construction codes.

Whereas the introduced required a review of a land development to consider whether the regulation benefits landowners or the public and the extent to which landowners or the public incur costs as a result of the regulation, the substitute requires such a review to consider also whether the regulation remains appropriate and benefits residents and also the extent to which residents incur costs as a result of the regulation.

With respect to the review of a regulation, whereas the introduced required the political subdivision's governing body to hold a public hearing, the substitute specifies that this requirement is for at least one public hearing.

The substitute expands the scope of provisions in the introduced relating to the authority to adopt a land development regulation and the required related impact statement to also include the authority to modify a regulation. With regard to a required determination under those provisions, whereas the introduced required a political subdivision's determination that a regulation mitigates housing costs for its residents, the substitute requires instead such a determination that a regulation positively impacts or does not adversely impact such costs.