

BILL ANALYSIS

Senate Research Center

S.B. 560
By: Springer
Local Government
2/27/2023
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Housing demand across the state has led to an increase in permit applications with municipalities. In many cases, cities process these applications in a few weeks. However, in numerous instances, it may take several months. Such lengthy and unnecessary delays cost homeowners thousands of dollars due to carried interest on construction loans, rising material costs, and prolongment of temporary habitation.

Under current law, municipalities can prolong permit approval for no reason. The current law allows 45 days from submission for the municipality to approve the permit application but does not prevent a municipality from leaving permits in pending limbo. Current law allows a municipality to reach a written agreement with applicants for a deadline, but there is little to no enforcement of extended delays past these deadlines.

The bill will amend the Local Government Code by more clearly stating in law that a municipality must approve or deny a building permit application within 45 days. The bill also provides for a refund of any associated fees if the city fails to approve the building permit within 45 days.

As proposed, S.B. 560 amends current law relating to the time for the issuance of municipal building permits.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 214.904, Local Government Code, by amending Subsections (b) and (d) and adding Subsection (e), as follows:

(b) Requires a municipality, not later than the 45th day after the date an application for a permit is submitted, to:

- (1) makes no changes to this subdivision; or
- (2) provide written notice to the applicant stating the reasons why the municipality has been unable to grant or deny the permit application in the time required by this subsection.

Deletes existing text requiring a municipality to reach a written agreement with the applicant providing for a deadline for granting or denying the permit. Makes nonsubstantive changes.

(d) Provides that if a municipality fails to comply with Section 214.904 (Time for Issuance of Municipal Building Permit), rather than if a municipality fails to grant or deny a permit application in the time required by Subsection (c) (relating to requiring a municipality to grant or deny a permit not later than a certain date) or by an agreement

under Subsection (b)(3) (relating to requiring a municipality to provide a deadline to an applicant), the municipality:

(1)-(2) make no changes to these subdivisions.

(e) Prohibits a municipality from:

(1) denying a permit solely because the municipality is unable to comply with this section; or

(2) requiring an applicant to waive the requirements of this section.

SECTION 2. Makes application of Section 214.904, Local Government Code, as amended by this Act, prospective.

SECTION 3. Effective date: September 1, 2023.