

1-1 By: Stucky (Senate Sponsor - Springer) H.B. No. 3492  
 1-2 (In the Senate - Received from the House May 3, 2023;  
 1-3 May 5, 2023, read first time and referred to Committee on Local  
 1-4 Government; May 17, 2023, reported favorably by the following  
 1-5 vote: Yeas 6, Nays 3; May 17, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10		X		
1-11		X		
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16		X		

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to county and municipal authority to impose certain  
 1-20 value-based fees and require disclosure of certain information  
 1-21 related to subdivision construction.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Subchapter Z, Chapter 212, Local Government  
 1-24 Code, is amended by adding Section 212.906 to read as follows:

1-25 Sec. 212.906. CERTAIN VALUE-BASED FEES AND DISCLOSURE OF  
 1-26 CERTAIN INFORMATION PROHIBITED. (a) This section applies only to  
 1-27 an application, review, engineering, inspection, acceptance,  
 1-28 administrative, or other fee imposed by a municipality related to  
 1-29 the acceptance, review, or processing of engineering or  
 1-30 construction plans or for the inspection of improvements for  
 1-31 construction of a subdivision or lot or a related improvement  
 1-32 associated with or required in conjunction with that construction.

1-33 (b) A municipality may not consider the cost of constructing  
 1-34 or improving the public infrastructure for a subdivision, lot, or  
 1-35 related property development in determining the amount of a fee  
 1-36 subject to this section. The municipality shall determine the fee  
 1-37 by considering the municipality's actual cost to, as applicable,  
 1-38 review and process the engineering or construction plan or to  
 1-39 inspect the public infrastructure improvement.

1-40 (c) In determining the municipality's actual cost for  
 1-41 reviewing and processing an engineering or construction plan or  
 1-42 inspecting a public infrastructure improvement under Subsection  
 1-43 (b), a municipality may consider:

1-44 (1) the fee that would be charged by a qualified,  
 1-45 independent third-party entity for those services;

1-46 (2) the hourly rate for the estimated actual direct  
 1-47 time of the municipality's employees performing those services; or

1-48 (3) the actual costs assessed to the municipality by a  
 1-49 third-party entity that provides those services to the  
 1-50 municipality.

1-51 (d) A municipality may not require the disclosure of  
 1-52 information related to the value of or cost of constructing or  
 1-53 improving a residential dwelling or the public infrastructure  
 1-54 improvements for a subdivision, lot, or related property  
 1-55 development as a condition of obtaining approval for subdivision  
 1-56 construction or for the acceptance of those public infrastructure  
 1-57 improvements except as required by the Federal Emergency Management  
 1-58 Agency for participation in the National Flood Insurance Program.

1-59 (e) A municipality that imposes a fee for reviewing or  
 1-60 processing an engineering or construction plan or inspecting a  
 1-61 public infrastructure improvement shall annually publish the fee

2-1 and the hourly rate and estimated direct time incurred by municipal  
2-2 employees for a fee calculated under Subsection (c)(2). The  
2-3 municipality must publish the information:

- 2-4 (1) on the municipality's Internet website; or
- 2-5 (2) if the municipality does not maintain an Internet  
2-6 website, in a newspaper of general circulation in the county in  
2-7 which the municipality is primarily located.

2-8 SECTION 2. Chapter 232, Local Government Code, is amended  
2-9 by adding Subchapter Z to read as follows:

SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

2-10 Sec. 232.901. CERTAIN VALUE-BASED FEES AND DISCLOSURE OF  
2-11 CERTAIN INFORMATION PROHIBITED. (a) This section applies only to  
2-12 an application, review, engineering, inspection, acceptance,  
2-13 administrative, or other fee imposed by a county related to the  
2-14 acceptance, review, or processing of engineering or construction  
2-15 plans or for the inspection of improvements for construction in a  
2-16 subdivision or a related improvement associated with or required in  
2-17 conjunction with that construction.

2-18 (b) A county may not consider the cost of constructing or  
2-19 improving the public infrastructure for a subdivision, lot, or  
2-20 related property development in determining the amount of a fee  
2-21 subject to this section. The county shall determine the fee by  
2-22 considering the county's actual cost to, as applicable, review and  
2-23 process the engineering or construction plan or to inspect the  
2-24 public infrastructure improvement.

2-25 (c) In determining the county's actual cost for reviewing  
2-26 and processing an engineering or construction plan or inspecting a  
2-27 public infrastructure improvement under Subsection (b), a county  
2-28 may consider:

- 2-29 (1) the fee that would be charged by a qualified,  
2-30 independent third-party entity for those services;
- 2-31 (2) the hourly rate for the estimated actual direct  
2-32 time of the county's employees performing those services; or
- 2-33 (3) the actual costs assessed to the county by a  
2-34 third-party entity that provides those services to the county.

2-35 (d) A county may not require the disclosure of information  
2-36 related to the value of or cost of constructing or improving a  
2-37 residential dwelling or the public infrastructure improvements for  
2-38 a subdivision, lot, or related property development as a condition  
2-39 of obtaining approval for subdivision construction or for the  
2-40 acceptance of those public infrastructure improvements except as  
2-41 required by the Federal Emergency Management Agency for  
2-42 participation in the National Flood Insurance Program.

2-43 (e) A county that imposes a fee for reviewing or processing  
2-44 an engineering or construction plan or inspecting a public  
2-45 infrastructure improvement shall annually publish the fee and the  
2-46 hourly rate and estimated direct time incurred by county employees  
2-47 for a fee calculated under Subsection (c)(2). The county must  
2-48 publish the information:

- 2-49 (1) on the county's Internet website; or
- 2-50 (2) if the county does not maintain an Internet  
2-51 website, in a newspaper of general circulation in the county.

2-52 SECTION 3. The changes in law made by this Act apply only to  
2-53 a fee subject to Section 212.906 or 232.901, Local Government Code,  
2-54 as added by this Act, assessed by a county or municipality on or  
2-55 after the effective date of this Act.

2-56 SECTION 4. This Act takes effect September 1, 2023.

2-57 \* \* \* \* \*