

BILL ANALYSIS

H.B. 2225
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Land & Resource Management
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, certain political subdivisions are authorized to impose an impact fee against new development to generate revenue for specified capital improvements or facility expansions necessitated by and attributable to the new development. Current law requires the political subdivision, before adopting an impact fee, to issue public notices and appoint an advisory committee, and currently, a simple majority vote by a political subdivision's governing body is needed to impose an impact fee. The bill author has informed the committee, however, that if the political subdivision has a planning and zoning commission, the commission may act as the advisory committee and the political subdivision is not limited to how frequently it may increase an impact fee. H.B. 2225 seeks to address this issue by revising current law related to the public notice requirements and adoption procedures for impact fees.

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

H.B. 2225 amends the Local Government Code to revise provisions relating to the approval of land use assumptions, capital improvement plans, and impact fees. The bill changes the date by which a political subdivision is required to make its land use assumptions, the time period of the projections, a description of the capital improvement facilities that may be proposed, and the capital improvements plan, including the amount of any proposed amended impact fee per service unit publicly available, from, on, or before the date of the first publication of the notice of the hearing on the land use assumptions and capital improvements plan to at least 60 days before that date.

H.B. 2225 extends from 60 days after the date the governing body of a political subdivision receives the update of the land use assumptions and the capital improvements plan to 120 days after that date from which such a governing body is required to adopt an order setting a public hearing to discuss and review the update and is required to determine whether to amend the plan.

H.B. 2225 establishes that approval of the imposition of an impact fee by a political subdivision requires an affirmative vote of three-fourths of the members of the governing body of the political subdivision. This provision applies only to the approval of the imposition of an impact fee on or after the bill's effective date.

H.B. 2225 prohibits a political subdivision from increasing the amount of an impact fee for five years from the later of the date the fee was adopted or most recently increased, if applicable. This prohibition applies only to the increase of the amount of an impact fee that is adopted on or after the bill's effective date.

H.B. 2225 raises from 40 percent to 50 percent the minimum membership of the capital improvements advisory committee that is required to be representatives of the real estate, development, or building industries who are not employees or officials of a political subdivision or governmental entity. The bill removes the authorization for the political subdivision's planning and zoning commission, as applicable, to act as the capital improvements advisory committee if that commission includes at least one representative of the real estate, development, or building industry who is not an employee or official of a political subdivision or governmental entity. The bill also removes the authorization for the planning and zoning commission to act as the advisory committee if at least one such representative is appointed by the political subdivision as an ad hoc voting member of the planning and zoning commission when it acts as the advisory committee.

H.B. 2225 applies only to a land use assumption, capital improvement plan, or impact fee that is the subject of a public hearing that is held on or after the 90th day after the bill's effective date. A land use assumption, capital improvement plan, or impact fee subject to a public hearing that is held before the 90th day after the bill's effective date is governed by the law in effect immediately before the bill's effective date, and the former law is continued in effect for that purpose.

EFFECTIVE DATE

September 1, 2025.