

- SUBJECT:** Deadlines for cities to act on permit applications
- COMMITTEE:** Land and Resource Management — favorable, without amendment
- VOTE:** 6 ayes — Mowery, Blake, R. Cook, Leibowitz, Miller, Orr  
0 nays  
3 absent — Harper-Brown, Escobar, Pickett
- WITNESSES:** For — David Mintz, Texas Apartment Association; Scott Norman, Texas Association of Builders; (*Registered but did not testify:* Daniel Gonzalez, Texas Association of Realtors)  
  
Against — None
- BACKGROUND:** Among other provisions, Local Government Code, Title 7, authorizes local government entities to issue building permits. Permit applications and review processes vary among cities to ensure that construction and improvement plans comply with local policies and standards.
- DIGEST:** HB 265 would set deadlines for municipalities to act on permits for constructing or improving buildings or other structures within their jurisdictions. Upon receipt of a building permit application, a municipality would have to:
- grant or deny the permit to the applicant within 45 days;
  - provide written notice to the applicant explaining why the municipality had not acted on the application, which would add 30 days from the date notice was received to the municipality's deadline for reaching a decision; or
  - reach a written agreement with the applicant establishing a deadline for reaching a decision.
- If the municipality failed to act within these deadlines and/or agreements, the municipality could not collect any application fees and would have to refund to the applicant any fees collected.

The bill would take effect September 1, 2005, and would apply only to permit applications submitted after that date.

**SUPPORTERS  
SAY:**

HB 265 would assist developers in efficiently managing their projects by establishing clear uniform deadlines for granting or denying permit applications. It would develop notification standards that are responsive and predictable and create a clear and transparent permit process through which a municipality and a project manager could communicate effectively.

The permit procedure set forth in HB 265 would allow for the timely identification and rectification of application errors. Rather than letting projects stall over incoherent deadlines or flaws detected late in the permit process, as under the current system, the bill would help municipalities quickly identify a sound project and resolve application flaws to speed the commencement of construction or improvements. By allowing for a more timely project initiation date, HB 265 also would assist a municipality in incorporating new property value into its tax roll.

Variation among municipalities' particular permit requirements would not be affected by the bill. Written agreements between a municipality and a developer could cover any steps required to obtain a permit while clearly delineating the responsibilities of both parties.

**OPPONENTS  
SAY:**

HB 265 would take away local control from regulatory permit processes. Municipalities, large and small, can better determine application deadlines than the state. By requiring written agreements between municipalities and building permit applicants in order to avoid inflexible processing deadlines and resolve application flaws, this bill would slow the permit process, not expedite it. Municipalities today manage to ensure efficient regulatory processes by communicating verbally with applicants, and additional paperwork requirements would do nothing to improve this system. By mandating additional administrative duties, the bill could require some municipalities to increase permit fees to cover the increased processing costs of written agreements, including the possible need for additional personnel.

HB 265 would create unrealistic deadlines for the processing of applications. All applications are reviewed for technical revisions including engineering, building code, and public safety compliance.

Rushing the review process to meet a state-specified deadline could jeopardize technical accuracy.

The bill would not place any requirements on applicants. Applicants who submitted incomplete applications or did not respond to requests from the municipality would not be held accountable for slowing the application process. Municipalities should not have to adhere to application process deadlines if applicants are not responsive.

NOTES:

On February 28, the House passed a related bill, HB 266 by W. Smith, which would set deadlines for counties to respond to permit applications. The Senate has not yet referred this bill to committee.