

AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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

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

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

(c) In determining the municipality's actual cost for reviewing and processing an engineering or construction plan or

1 inspecting a public infrastructure improvement under Subsection
2 (b), a municipality may consider:

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

5 (2) the hourly rate for the estimated actual direct
6 time of the municipality's employees performing those services; or

7 (3) the actual costs assessed to the municipality by a
8 third-party entity that provides those services to the
9 municipality.

10 (d) A municipality may not require the disclosure of
11 information related to the value of or cost of constructing or
12 improving a residential dwelling or the public infrastructure
13 improvements for a subdivision, lot, or related property
14 development as a condition of obtaining approval for subdivision
15 construction or for the acceptance of those public infrastructure
16 improvements except as required by the Federal Emergency Management
17 Agency for participation in the National Flood Insurance Program.

18 (e) A municipality that imposes a fee for reviewing or
19 processing an engineering or construction plan or inspecting a
20 public infrastructure improvement shall annually publish the fee
21 and the hourly rate and estimated direct time incurred by municipal
22 employees for a fee calculated under Subsection (c)(2). The
23 municipality must publish the information:

24 (1) on the municipality's Internet website; or

25 (2) if the municipality does not maintain an Internet
26 website, in a newspaper of general circulation in the county in
27 which the municipality is primarily located.

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

3 SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

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

12 (b) A county may not consider the cost of constructing or
13 improving the public infrastructure for a subdivision, lot, or
14 related property development in determining the amount of a fee
15 subject to this section. The county shall determine the fee by
16 considering the county's actual cost to, as applicable, review and
17 process the engineering or construction plan or to inspect the
18 public infrastructure improvement.

19 (c) In determining the county's actual cost for reviewing
20 and processing an engineering or construction plan or inspecting a
21 public infrastructure improvement under Subsection (b), a county
22 may consider:

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

25 (2) the hourly rate for the estimated actual direct
26 time of the county's employees performing those services; or

27 (3) the actual costs assessed to the county by a

1 third-party entity that provides those services to the county.

2 (d) A county may not require the disclosure of information
3 related to the value of or cost of constructing or improving a
4 residential dwelling or the public infrastructure improvements for
5 a subdivision, lot, or related property development as a condition
6 of obtaining approval for subdivision construction or for the
7 acceptance of those public infrastructure improvements except as
8 required by the Federal Emergency Management Agency for
9 participation in the National Flood Insurance Program.

10 (e) A county that imposes a fee for reviewing or processing
11 an engineering or construction plan or inspecting a public
12 infrastructure improvement shall annually publish the fee and the
13 hourly rate and estimated direct time incurred by county employees
14 for a fee calculated under Subsection (c)(2). The county must
15 publish the information:

16 (1) on the county's Internet website; or

17 (2) if the county does not maintain an Internet
18 website, in a newspaper of general circulation in the county.

19 SECTION 3. The changes in law made by this Act apply only to
20 a fee subject to Section 212.906 or 232.901, Local Government Code,
21 as added by this Act, assessed by a county or municipality on or
22 after the effective date of this Act.

23 SECTION 4. This Act takes effect September 1, 2023.

President of the Senate

Speaker of the House

I certify that H.B. No. 3492 was passed by the House on May 2, 2023, by the following vote: Yeas 142, Nays 3, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3492 was passed by the Senate on May 19, 2023, by the following vote: Yeas 23, Nays 8.

Secretary of the Senate

APPROVED: _____

Date

Governor