

AN ACT

relating to prohibiting local governments from imposing certain fees on new construction.

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

SECTION 1. The legislature finds that:

(1) fees and exactions imposed by political subdivisions to fund subsidized housing materially increase the cost of housing construction and other forms of construction in the state; and

(2) it is in the state's interest to incentivize housing affordability for Texas residents by circumscribing regulatory burdens imposed on the housing industry by political subdivisions.

SECTION 2. Chapter 250, Local Government Code, is amended by adding Section 250.008 to read as follows:

Sec. 250.008. LINKAGE FEES PROHIBITED. (a) A political subdivision may not adopt or enforce a charter provision, ordinance, order, or other regulation that imposes, directly or indirectly, a fee on new construction for the purposes of offsetting the cost or rent of any unit of residential housing.

(b) For purposes of this section:

(1) a fee is imposed indirectly on new construction if a charter provision, ordinance, order, or other regulation allows acceptance by the political subdivision of a fee on new

1 construction; and

2 (2) new construction includes zoning, subdivisions,
3 site plans, and building permits associated with new construction.

4 (c) This section does not apply to:

5 (1) an affordable housing and property tax abatement
6 program:

7 (A) adopted under Chapter 378 or Chapter 312, Tax
8 Code, by a municipality with a population of more than 700,000; and

9 (B) for which eligibility is maintained as
10 required under Chapter 312, Tax Code, as applicable; or

11 (2) an ordinance, order, or other similar measure that
12 permits the voluntary payment of a fee in lieu of other
13 consideration to a political subdivision in connection with the
14 issuance of a zoning waiver related to new construction that allows
15 a multifamily residential or commercial structure to exceed height
16 or square footage limitations.

17 (d) A charter provision, ordinance, order, or other
18 regulation adopted by a political subdivision that conflicts with
19 this section is null and void.

20 SECTION 3. The change in law made by this Act does not apply
21 to an agreement relating to providing subsidized housing entered
22 into before the effective date of this Act.

23 SECTION 4. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I certify that H.B. No. 1449 was passed by the House on May 3, 2017, by the following vote: Yeas 102, Nays 38, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1449 on May 20, 2017, by the following vote: Yeas 107, Nays 27, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1449 was passed by the Senate, with amendments, on May 18, 2017, by the following vote: Yeas 27, Nays 4.

Secretary of the Senate

APPROVED: _____

Date

Governor