



HB-852 DWELLING UNIT PERMIT FEES CHANGES

OR-19-014

July 16, 2019

HB- 852 Dwelling Unit Permit Changes

2

- The Texas Legislature recently passed **H.B. 852** amending Texas Local Government Code Section 214.907 to prohibit the consideration of the value of a dwelling, or the cost of construction or improving a dwelling, in determining the amount of a building permit or inspection fee required in connection with the construction or improvement of a residential dwelling.
- The bill was signed by the Governor on **May 21, 2019**, and it is effective immediately.

HB- 852 Dwelling Unit Permit Changes

- The City's current permit fees associated with repair, remodel, and improvement to dwelling units are value based fees.
- City staff is recommending changes to convert these fees to revenue neutral flat fees and square footage fees to comply with the new State law.

HB- 852 Dwelling Unit Permit Changes

4

- Below are sample fee comparison examples that illustrate our current and proposed fees to our dwelling unit value based permit fees to flat based fees and/or unit fees.

Sample general dwelling unit remodel project: (\$5,000 garage conversion):

- Current fee - \$54 Building Permit fee + \$43 Electrical Permit fee + \$35 Plan Review fee = Total \$132
- Proposed fee - \$50 Building Base fee + \$50 Electrical Base fee + \$35 Plan Review fee = Total \$135

HB- 852 Dwelling Unit Permit Changes

5

Sample solar panel installation:

(\$11,000 to install 14 panels on roof)

- Current fee - \$95 Electrical Permit + \$60 Plan Review = Total \$155
- Proposed fee - \$50 Electrical Permit + \$5 per panel + \$35 Plan Review = Total \$155

Sample re-roof repair:

(\$7,000 project with 2,500 sq ft roof)

- Current fee - \$76 Building Permit = Total \$76
- Proposed fee - \$50 Building Permit + \$1 per square (100 sq ft = one square) x 25 squares = Total \$75

HB- 852 Dwelling Unit Permit Changes

6

Alternate re-roof repair fee structure (revenue neutral):

- **\$35** for 1,500 sq. ft. or less of roof area being installed;
- **\$50** for 1,501 sq. ft. to 2,500 sq. ft. of roof area being installed; and
- **\$75** for 2,501 sq. ft. or greater of roof area being installed.

HB- 852 Dwelling Unit Permit Changes

7

Sample window / door replacement

(\$6,500 for 14 window replacements)

- Current fee - \$54 Building Permit + \$35 Plan Review = Total \$89
- Proposed fee - \$50 Building Permit + \$3 x 14 (windows or doors) = Total \$92

HB- 852 Dwelling Unit Permit Changes

- It is the City's policy to comply with state law. This ordinance, if approved by City Council, fulfills this requirement.
- This ordinance does not involve any expenditures. As previously noted, it is intended to be revenue neutral.

Alternatives

- The City Council may consider the following alternatives:
 - 1) approve the proposed ordinance;
 - 2) disapprove the proposed ordinance; or
 - 3) approve the proposed ordinance with fee modifications.

Recommendations

10

- Staff recommends that the City Council approve the ordinance as presented.