

**SUBJECT:** Allowing third parties to review documents and conduct inspections

**COMMITTEE:** Land & Resource Management — committee substitute recommended

**VOTE:** 9 ayes — Burns, Rogers, C. Bell, K. Bell, Buckley, Ortega, Reynolds, Schofield, Sherman

0 nays

**WITNESSES:** For —Emily Dove, Texas 2036; Ned Muñoz, Texas Association of Builders; Kyndel Bennett, Scot Campbell, Texas Land Developers Association; Mira Boyda; Judge Glock; Russell Spillers; Scott Turner (*Registered, but did not testify*: Corbin Van Arsdale, AGC-Texas Building Branch; Samuel Sheetz, Americans for Prosperity; Charlie Coleman, Lennar Corporation; Jami Sims, Real Estate Council of Austin; David Mintz, Texas Apartment Association; Scott Norman, Texas Association of Builders; Gray Rutledge, Texas Conservative Coalition; Deborah Ingersoll, Texas Land Developers Association; Becky Walker, Texas Society of Architects; Ryan Busse; Susan Ross)

Against — Andrew Espinoza, Vernon Young, City of Dallas; D J Harrell, City of Fort Worth (*Registered, but did not testify*: Guadalupe Cuellar, City of El Paso; Jon Weist, City of Irving; Adam Haynes, Conference of Urban Counties; Rebekah Chenelle, Dallas County Commissioners Court; Francis Nugent, Harris County Commissioners Court; Jim Short, Houston Real Estate Council; Julie Wheeler, Travis County Commissioners Court; Richard Alles)

On — Sally Bakko, City of Galveston; Jennifer Ostlind, City of Houston, Planning and Development Department; Bill Longley, Texas Municipal League (*Registered, but did not testify*: Brie Franco, City of Austin; Ariel Traub, City of Georgetown)

**DIGEST:** CSHB 14 would allow certain individuals to review a development document if a regulatory authority did not approve, disapprove, or conditionally approve the document within 15 days after the date

prescribed by an applicable statute. Development documents would be defined as a document required to be approved for a person to develop or improve land, including applications for plats, plans, and development permits. Regulatory authorities would include political subdivisions or departments of political subdivisions responsible for reviewing development documents and conducting development inspections.

Under the bill, individuals who could review the development document after the 15 day deadline would include:

- a person employed by the regulatory authority to review development documents;
- a person employed by another political subdivision to review development documents, if the regulatory authority had approved the person to review development documents; or
- a licensed engineer.

The applicant and the person whose work was the subject of the application would be prohibited from performing the review.

If a regulatory authority did not conduct a required inspection within 15 days after the date prescribed by an applicable statute, the inspection could be conducted by:

- a person certified to inspect buildings by the International Code Council;
- a person employed by the regulatory authority as a building inspector;
- a person employed by another political subdivision as a building inspector, if the regulatory authority had approved the person to perform inspections; or
- a licensed engineer.

The owner of the land or improvement subject to the inspection and a person whose work was subject to inspection would be prohibited from conducting the inspection.

A third party who reviewed a development document or conducted an inspection would be required to take actions in accordance with all applicable provisions of law and notify the regulatory authority of the results of the review or inspection within 15 days of completing the review or inspection. Regulatory authorities could prescribe a reasonable format for the notice.

A person could appeal to the governing body of a political subdivision a decision to conditionally approve or disapprove a development document or a decision regarding a development inspection made by a regulatory authority or a third party. The person would be required to file an appeal within 15 days after the decision was made. If the governing body did not affirm the decision by a majority vote within 60 days after the appeal was filed, the development document would be considered approved, or the inspection would be waived.

Regulatory authorities would not be allowed to impose a fee related to third party inspections or reviews of a development document or request or require an applicant to waive a deadline or other procedure.

The bill would take effect September 1, 2023, and would apply to development documents or requests for development inspections submitted on or after the effective date.

**SUPPORTERS  
SAY:**

CSHB 14 would streamline approval processes for property development and building reviews by allowing qualified third parties to review development documents and conduct inspections, ensuring timely responses to reviews and inspections. Delays in developments can dampen economic development and increase costs for developers, which can make housing more costly and increase the amount of time homeowners must wait before moving in. Many cities already use third parties for these actions, and these third parties would be required to follow all aspects of the law. The bill would help cities efficiently address backlogs at local planning and building departments who are struggling to hire enough staff to handle the demand, reducing barriers to development and increasing the

availability of affordable housing.

CRITICS  
SAY:

CSHB 14 is unnecessary because cities are already remedying the application backlog by using new technology, hiring more staff, and partnering with third parties. The bill sets an unrealistic timeline for cities that does not consider the difference between developing single family homes and large commercial projects. The bill also would not set a timeline for third parties to complete reviews or inspections, holding cities to a different standard than third parties.

CSHB 14 would not require cities to approve third party engineers like they would employees of another political subdivisions, which could undermine a city's process for conducting inspections and reviewing development documents. The bill also lacks sufficient accountability and auditing measures, which could further limit cities' oversight of third parties. The bill does not clarify what would happen if a city and a third party were reviewing documents at the same time and which review would prevail, which could cause confusion.

The bill should allow additional qualified professionals to review development documents and conduct reviews, as the individuals authorized within the bill are not always the best option for these tasks. The bill also should allow municipalities to collect fees for third party reviews or inspections to cover the cost of these services and clarify if the city would be held liable for mistakes made by third parties. Appeals regarding document reviews and inspections should not be heard by city councils or other governing bodies but rather by experts who are best suited to make these decisions.