

## **BILL ANALYSIS**

Senate Research Center

H.B. 3603  
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Intergovernmental Relations  
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Engrossed

### **DIGEST**

Currently, certain cities that have not adopted impact fees may have to make difficult decisions when considering the funding of needed capital improvements to encourage growth and development in and around its municipal boundaries. Municipalities typically have subdivision ordinances requiring developer participation for capital improvements directly related to a development. This bill allows certain municipalities who have not adopted impact fees the ability to participate in the growth and development of their city.

### **PURPOSE**

As proposed, H.B. 3603 allows certain municipalities who have not adopted impact fees the ability to participate in the growth and development of their city.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 395D, Local Government Code, by adding Section 395.081, as follows:

Sec. 395.081. FEES FOR ADJOINING LANDOWNERS IN CERTAIN MUNICIPALITIES. Provides that this section applies only to a municipality with a population of 105,000 or less that constitutes more than three-fourths of the population of the county in which the majority of the area of the municipality is located. Authorizes a municipality that has not adopted an impact fee under this chapter that is constructing a capital improvement from the municipality to a development located within or outside the municipality's boundaries, to allow certain landowners to connect to the capital improvement if specific conditions are met by the landowner and the municipality. Requires a municipality to adopt a finding that the municipality will benefit from allowing the landowner to connect to the capital improvement, before a municipality is authorized to allow a landowner to connect to a capital improvement under Subsection (b). Requires the finding to describe the benefit to be received by the municipality. Provides that a determination of the governing body of a municipality or its officers or employees, under this section is a discretionary function of the municipality. Provides that the municipality and its officers or employees are not liable for a determination made under this section.

SECTION 2. Emergency clause.  
Effective date: upon passage.