

## **BILL ANALYSIS**

Senate Research Center

S.B. 269  
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As Filed

### **DIGEST**

Currently, state law specifies the methodology a municipality may use to set impact fees on new development. A city may be unclear as to the specific authority it has to waive certain fees if a development is for housing low-income families. S.B. 269 provides for the waiver and alternate use of impact fees.

### **PURPOSE**

As proposed, S.B. 269 authorizes a municipality to waive the collection of impact fees, and authorizes the governing body of the municipality to dedicate funds from impact fees to establish a program to assist in the funding of affordable housing.

### **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 395, Local Government Code, by adding Subchapter E, as follows:

#### **SUBCHAPTER E. WAIVER OR ALTERNATE USE OF IMPACT FEES**

Sec. 395.101. **AFFORDABLE HOUSING DEFINED.** Defines "affordable housing."

Sec. 395.102. **MUNICIPAL WAIVER OF IMPACT FEES.** Authorizes a municipality by ordinance to waive the collection of impact fees imposed in order to stimulate affordable housing development and requires the municipality to take measures ensuring that the waiver results in the development of affordable housing. Authorizes the amount of waived impact fees to be claimed by an applicant for state or federal matching funds or tax credits for the development of the affordable housing, as local matching funds under a state program or, if permitted by federal law or regulation, under a federal program. Prohibits a municipality that authorizes a waiver of the collection of impact fees from denying a waiver to an eligible applicant because of the location of the affordable housing.

Sec. 395.103. **ALTERNATE USE FOR IMPACT FEES COLLECTED.** Authorizes the governing body of a municipality by ordinance to dedicate proceeds from impact fees to establish a program for down payments so that individuals may qualify for single-family home ownership. Authorizes a municipality to adopt an ordinance under this section only after a public hearing and sets forth requirements for the publishing of hearing notices. Establishes requirements that must be met by an ordinance adopted under this section.

Sec. 395.104. **INCREASE IN IMPACT FEES PROHIBITED.** Prohibits impact fees imposed under this chapter from being increased because of a municipal waiver or alternate dedication of fees.

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