



STAFF REPORT

MEETING DATE: August 13, 2024

TITLE:

Consideration and action to approve the second reading of Ordinance No. 2024-21 of the City of Bastrop, Texas amending Appendix A – Fee Schedule, Section A14.01.001 – Subdivision, Public Improvement Inspections; establishing a repealing clause; providing severability; and providing an effective date.

STAFF REPRESENTATIVE:

Andres Rosales, Assistant City Manager

BACKGROUND/HISTORY:

House Bill 3492 of the 88th Session of the Texas Legislature has placed mandatory requirements on municipalities where cities may no longer base any inspection fees for constructing or improving public infrastructure for a subdivision lot on the cost, or value, of the infrastructure project. Additionally, cities may no longer require an applicant to disclose information related to the cost or value of a public infrastructure project for city acceptance of the subdivision or infrastructure project. To ensure compliance with HB 3492 Appendix A – Fee Schedule, Section A14.01.001 – Subdivision, Public Improvement Inspections; will need to be amended by the City Council to comply with HB 3492.

POLICY EXPLANATION:

The purpose of the proposed fee update is to ensure the City is still collecting enough revenue in development inspection fees to offset the expense the City incurs for providing inspection services while complying with House Bill 3492. The City currently bases our Public Improvement Inspection fee on the cost of the improvements, House Bill 3492 now prohibits that practice.

Specifically, House Bill 3492 states:

- b) A municipality may not consider the cost of constructing or improving the public infrastructure for a subdivision, lot, or related property development in determining the amount of a fee subject to this section. The municipality shall determine the fee by considering the municipality's actual cost to, as applicable, review and process the engineering or construction plan or to inspect the public infrastructure improvement.
- c) A municipality's actual cost for reviewing and processing an engineering or construction plan or inspecting a public infrastructure improvement under Subsection (b) is calculated as the lowest amount of:
 - 1) the fee that would be charged by a qualified, independent third-party entity for those services;
 - 2) the hourly rate for the estimated actual direct time of the municipality's employees performing those services; or
 - 3) the actual costs assessed to the municipality by a third-party entity that provides those services to the municipality.

City staff has reviewed current development fees and are recommending changes to the fee schedule to ensure fees are structured to adequately reflect the cost of services associated with providing the related services to meet the mandates of House Bill 3492.

The proposed changes in fees are summarized in the chart below.

APPLICATION	FEE
Public Improvement Inspections	3.5% of total cost of improvement**, \$2,500 minimum
Public Improvement Inspections - First 100 acres	\$1,500 per acre
Public Improvement Inspections – Next 150 acres	\$750 per acre
Public Improvement Inspections – All additional acres over 250 acres	\$325 per acre
Erosion and Sedimentation Controls	\$1.00 per linear foot
Public Infrastructure	\$4.00 per linear foot per infrastructure item (i.e. streets, drainage, water, wastewater, etc.)
Re-Inspection Fee	\$150.00 per hour

FUNDING SOURCE: N/A

RECOMMENDATION:

Consideration and action to approve the second reading of Ordinance No. 2024-21 of the City of Bastrop, Texas amending Appendix A – Fee Schedule, Section A14.01.001 – Subdivision, Public Improvement Inspections; establishing a repealing clause; providing severability; and providing an effective date.

ATTACHMENTS:

- Ordinance
- Development Fee Schedule
- Comparison of Existing & Proposed Permitting, Inspection & Development Fees
- City of Hutto Fee Schedule

