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**Testimony before the House Committee on Land and Resource Management:
House Bill 3167**

By: Shelby Sterling, Policy Analyst

Mr. Chairman and Members of the Committee:

My name is Shelby Sterling, and I am the policy analyst for the Think Local Liberty project at the Texas Public Policy Foundation. Thank you for the opportunity to address the committee today on [House Bill 3167](#). I am here to testify in support of the bill.

Current local government permitting is a lengthy, burdensome, and complex process that infringes upon private property rights and violates the foundation and ideals that Texas was built upon. The number of onerous regulations, repeated checks, and unnecessary reviews that businesses are subjected to can cause a huge delay within the permit approval process. For example, in Austin, regulatory delays can add on average 3.5 months to the process, compared to just three weeks of regulatory delay in Denver, Colorado, or less than a week in Raleigh, North Carolina.

Further, due to regulatory delays in the Austin permit review process, which stifles the production of new housing, [between 2004 and 2013 average rents in the Austin area increased by 50 percent while median incomes increased by just 9 percent](#). The repeated reviews of development applications, site plans, building permits, and other necessary development items cause significant delays in the process of finalizing one's property. Current law allows cities to delay the approval or disapproval of development plans in several ways, which can create a situation where a city has multiple opportunities to review an application. This can result in a repeated and unpredictable cycle of reviews—even on parts of the application previously untouched by disapproval.

CSHB 3167 seeks to expedite the permitting process so that there is greater predictability for developers and lower costs for consumers. This bill would streamline the development and permitting process by requiring jurisdictions to conduct more thorough initial reviews followed by substantive comments on an application that the developer can then address. After the developer addresses the initial round of substantive comments, the jurisdiction will only be permitted to re-review the amendments, without any availability to review any other parts of the application that were not initially deemed deficient.

Streamlining this process and enacting strict deadlines for both parties will ensure that this is a quicker, more efficient, and less burdensome process while also increasing affordability. While the initial development application process needs reform, it is not the only burdensome step in this process that needs changes.

Overall, federal, state, and local government regulations can comprise as much as 25 percent of a unit's final sales price. At least a portion of this increased cost stems from local governments changing permitting and development rules midway through construction projects. Imposing additional regulations in the middle of the construction process not only reduces the profit margin for builders, but diminishes the number of units developed and raises the cost of housing and operating a business. Every time that work is brought to a halt for regulations requiring changes in the project, costs go up, and time that could have been spent building additional units is lost. For consumers, this means higher prices and decreased selection—an outcome that neither producers or consumers desire.

The effects of these burdensome regulations have far-reaching consequences on the lives of all Texans. The tedious and inefficient permitting process adds considerable time and costs to various sectors in the economy; it hinders construction projects and imposes undue burdens upon entrepreneurs and companies. There are never ending consequences from the dysfunction and longevity of the permitting process, such as higher construction costs, higher housing costs, fewer jobs, and less economic growth.

HB 3167 provides an opportunity to fix a broken and painful permitting process. For these reasons, we support HB 3167. Thank you for your time and consideration. I look forward to answering any questions you may have.