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FISCAL IMPACT REPORT

SPONSOR Serrato LAST UPDATED _____
ORIGINAL DATE 2/21/2025
BILL
SHORT TITLE Statewide Construction Templates NUMBER House Bill 582
ANALYST Ortega

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
RLD	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal		Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From
Regulation and Licensing Department (RLD)

Agency Analysis was Solicited but Not Received From
Department of Finance and Administration (DFA)

SUMMARY

Synopsis of House Bill 582

House Bill 582 (HB582) adds a new section to the Construction Industries Licensing Act requiring the Construction Industries Division of the Regulation and Licensing Department (RLD) to develop and implement standardized statewide procedures and templates for construction permit applications. The bill sets specific timelines for approval or denial of permit applications, with automatic approval if deadlines are not met. Additionally, the bill limits municipal and county zoning authority over certain developments, including master plan projects with fewer than 2,500 dwelling units.

HB582 also states the division must adopt rules in accordance with these provisions by December 1, 2025, and ensure that procedures are made available for electronic download on the website and the websites of authorities with jurisdiction. The effective date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

House Bill 582 does not include an appropriation for its implementation but may have a minimal fiscal impact on the Regulation and Licensing Department (RLD). The department anticipates

minor costs to the Construction Industries Division related to staff time required for developing standardized templates and conducting a public rule hearing. Because the division already oversees construction permitting processes, any additional administrative burden could be absorbed within existing resources.

SIGNIFICANT ISSUES

RLD notes HB582 could limit local governments' ability to enforce zoning laws and building codes suited to their communities. A standardized approach may conflict with existing regulations, particularly in areas with unique development priorities, historic districts, or environmental considerations. Additionally, the department raises concerns regarding the bill's provision for automatic permit approval if deadlines are not met, cautioning that this could lead to insufficient oversight because thorough reviews are essential to ensure compliance with structural, fire, and environmental safety standards.

RLD also states the development of standardized templates and procedures will require broad stakeholder engagement. Without input from local governments, industry professionals, and community members, the templates may not adequately address the needs of each county or municipality.

ADMINISTRATIVE IMPLICATIONS

RLD notes that requiring application decisions to be sent through certified mail could increase costs to the permitting process. The department suggests only requiring application decisions to be sent via email notification instead.

TECHNICAL ISSUES

RLD raises concerns regarding the bill's implementation timeline, stating that the December 1, 2025, deadline for adopting administrative rules and finalizing templates may be unrealistic given the need for broad stakeholder engagement. RLD suggests extending the deadline to July 1, 2026, to ensure the templates effectively address the needs of the authorities with jurisdiction.

AO/hj/hg