

TESTIMONY IN FAVOR OF SB 2354

BY **Judge Shepard**, Taxpayer Protection Project
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Chairman Bettencourt and distinguished members of the committee,

My name is Judge Shepard, and I am a policy analyst with the Texas Public Policy Foundation. I am submitting this as written testimony in favor of SB 2354.

Per the National Association of Home Builders (NAHB), in 2023, Texas was “the state with the highest number of single-family permits issued,” as well as “the state with the highest number of multifamily permits issued” ([NAHB, n.d.](#)). Similarly, data from NAHB shows that in 2023, Texas issued 149,860 single-family permits and 82,513 multifamily permits ([NAHB, n.d.](#)) (see **Table 1**, next page). Regulations, including permitting and inspections, “account for nearly 25% of the cost of a single-family home,” as well as “more than 40% of the cost of a typical apartment development” ([NAHB, 2025](#)).

Reducing wait times for permit approval for single-family and multifamily construction lowers costs surrounding the construction of single-family and multifamily homes. Lower costs generally lead to lower prices. It was with this in mind that the 88th Texas Legislature passed House Bill 14, which allowed for third-party review and inspections ([HB 14, 2023](#)). As stated in the HB 14 bill analysis, “Every hitch and delay in the development process, from reviews to supply chain to available labor to financing to inspections, adds to the final cost of housing” ([CSHB 14, 2023](#)).

In the spirit of ensuring that the legislative intent behind HB 14 comes to fruition, SB 2354 has been filed this session by Senator Brandon Creighton, which modifies Section 247.002 of the Texas Local Government Code to allow an applicant to obtain third-party reviews and inspections, “notwithstanding any other law” ([SB 2354, 2025](#)). The bill also allows for “an owner of land or an improvement to the land that requires a development inspection” to obtain the inspection from a licensed/certified/qualified third-party, thus eliminating the 15-day time period required before a third-party inspection may be done (which was added by HB 14) ([SB 2354, 2025](#)).

SB 2354 also amends Section 247.004(a) of the Texas Local Government Code to instruct that the third-party doing the review, inspection, and all other actions in accordance with applicable provisions of law, act “as if the person is the regulatory authority” ([p. 3](#)). SB 2354 amends Section 247.005 of the Texas

Table 1

NAHB Data on Number of Permits for Single-Family and Multifamily Construction, 2023

01/31/25	Building Permits By States and Metro Areas											
	All data in thousands											
	SINGLE-FAMILY				MULTIFAMILY				TOTAL			
	YTD	YTD	YTD	YEAR	YTD	YTD	YTD	YEAR	YTD	YTD	YTD	YEAR
	Jan-25	Jan-24	% CHG	2023	Jan-25	Jan-24	% CHG	2023	Jan-25	Jan-24	% CHG	2023
UNITED STATES	73.115	75.906	-4%	919.973	38.402	38.870	-1%	591.129	111.517	114.776	-3%	1,511.102
TEXAS	12.179	12.707	-4%	149.860	5.008	6.511	-23%	82.513	17.187	19.218	-11%	232.373
Abilene, TX	0.078	0.028	179%	0.342	0.004	0.002	100%	0.120	0.082	0.030	173%	0.462
Amarillo, TX	0.042	0.052	-19%	0.567	-	-	0%	0.105	0.042	0.052	-19%	0.672
Austin-Round Rock, TX	1.159	1.562	-26%	16.532	0.749	1.755	-57%	22.241	1.908	3.317	-42%	38.773
Beaumont-Port Arthur, T	0.074	0.065	14%	1.007	0.014	0.006	133%	0.174	0.088	0.071	24%	1.181
Brownsville-Harlingen, T	0.153	0.178	-14%	1.604	0.028	0.034	-18%	0.348	0.181	0.212	-15%	1.952
College Station-Bryan, T	0.160	0.157	2%	1.155	0.026	0.030	-13%	0.307	0.186	0.187	-1%	1.462
Corpus Christi, TX	0.147	0.178	-17%	1.963	0.010	-	Undefined	0.071	0.157	0.178	-12%	2.034
Dallas-Fort Worth-Arling	3.431	3.531	-3%	44.482	1.472	2.454	-40%	23.715	4.903	5.985	-18%	68.197
El Paso, TX	0.161	0.169	-5%	1.967	0.019	0.020	-5%	0.280	0.180	0.189	-5%	2.247
Houston-The Woodlands	4.135	3.984	4%	50.444	1.551	1.012	53%	18.311	5.686	4.996	14%	68.755
Killeen-Temple, TX	0.167	0.188	-11%	2.541	0.024	0.056	-57%	1.039	0.191	0.244	-22%	3.580
Laredo, TX	0.090	0.097	-7%	1.099	0.027	0.008	238%	0.443	0.117	0.105	11%	1.542
Longview, TX	0.021	0.016	31%	0.274	0.004	0.002	100%	0.035	0.025	0.018	39%	0.309
Lubbock, TX	0.152	0.161	-6%	1.952	0.262	-	Undefined	0.562	0.414	0.161	157%	2.514
McAllen-Edinburg-Missic	0.397	0.339	17%	4.143	0.301	0.258	17%	2.756	0.698	0.597	17%	6.899
Midland, TX	0.121	0.049	147%	0.810	-	-	0%	0.008	0.121	0.049	147%	0.818
Odessa, TX	0.107	0.091	18%	0.690	-	-	0%	-	0.107	0.091	18%	0.690
San Angelo, TX	0.026	0.014	86%	0.252	-	0.002	-100%	-	0.026	0.016	63%	0.252
San Antonio-New Braun	0.813	0.958	-15%	8.718	0.063	0.406	-84%	7.767	0.876	1.364	-36%	16.485
Sherman-Denison, TX *	0.127	0.171	-26%	1.162	0.304	0.299	2%	1.285	0.431	0.470	-8%	2.447
Texarkana, TX-AR	0.010	0.011	-9%	0.094	0.016	-	Undefined	0.153	0.026	0.011	136%	0.247
Tyler, TX	0.026	0.048	-46%	0.468	-	0.031	-100%	0.285	0.026	0.079	-67%	0.753
Victoria, TX *	-	0.003	-100%	0.062	-	-	0%	0.028	-	0.003	-100%	0.090
Waco, TX	0.089	0.069	29%	0.744	0.032	0.007	357%	1.015	0.121	0.076	59%	1.759
Eagle Pass, TX	0.005	0.007	-29%	0.062	-	0.002	-100%	0.010	0.005	0.009	-44%	0.072
Wichita Falls, TX	0.011	0.017	-35%	0.207	0.002	0.012	-83%	0.067	0.013	0.029	-55%	0.274

Government Code to prohibit any regulatory authority to request or require an applicant waive their right to obtain a third-party review. A regulatory authority may not request or require an applicant to obtain said regulatory authority's approval for a "development document or development inspection" that a third-party performed (p. 3). All of these amendments do not compromise on safety and integrity. All third-party reviews must be licensed or certified, work for a regulatory authority, or be a licensed engineer.

SB 2354 seeks to further improve and streamline the permitting process for Texans. Allowing for more third-party reviews will ease the burden of the backlog of permit applications that many Texas metropolitan areas currently face, while promoting economic growth for third-party reviewers. In conclusion, SB 2354 is about making building in Texas an easier and more efficient process. ■

REFERENCES

- CSHB 14 Bill Analysis. Texas House of Representatives. 88th Texas Legislature. Regular. (2023, May). <https://capitol.texas.gov/tlodocs/88R/analysis/pdf/HB00014H.pdf#navpanes=0>
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- SB 2354. Filed. 89th Texas Legislature. Regular. (2025). <https://capitol.texas.gov/tlodocs/89R/billtext/pdf/SB02354I.pdf#navpanes=0>

