



Comparing Different Types of Permit Approval Limit Bills

Americans across the country are facing a housing crisis. A lack of housing supply has contributed to ever-rising home prices and priced countless families out of cities and neighborhoods nationwide. Excessive government regulation and power has made home building costlier, pushing up prices for builders and prospective homeowners.

Permitting delays are a major contributor to rising housing prices. Local governments oftentimes sit on plat or building permit applications for months or even years, costing developers and homeowners significant time and money. One study from Washington state found that every week a builder or developer had to wait for a permit increased the price of a house by \$1,100, for an average permit-delay cost increase of \$31,375.

A permit approval time limit bill can significantly reduce permit delays facing property owners. The most comprehensive approval time limit bill (also known as a “shot clock” bill) gives local governments a clear time limit to issue decisions on permit applications. Any permit application that does not receive a decision (such as an approval, denial, or approval with conditions) by the time limit will be automatically approved and allowed to proceed with the next stage. Texas adopted a “shot-clock” bill in 2019, Florida passed similar legislation in 2024, and other local governments across the country have adopted similar bills as well. “Shot clock” bills have reduced bureaucratic delays, increasing housing production and ultimately lowering home prices for prospective buyers.

A similar policy is a fee reduction or refund bill. This policy proposal would also put a decision time limit on local governments. But rather than require automatic approval if the local government does not issue a decision within the time limit, this proposal would merely refund a percentage of the application fees for every day or week the local government delays a decision. While fee reductions or refunds may reduce government revenue, it does not put much pressure on local governments to issue decisions on applications. In fact, Florida passed a fee reduction bill in 2022, before passing a true “shot clock” bill in 2024.

Regardless of which type of permit approval bill is passed, a strong permit approval bill would include clear legal pathways for developers to pursue if their application is denied and would include similar approval time limits for reviewing amended or revised applications.

	“Shot-Clock” Bill	Fee Reduction Bill
Time Limit	Yes	Yes
Automatic Approval if decision not reached by time limit	Yes	No
Fee Reduction or Refund	Not Usually	Yes
Legal recourse for developer if project denied	Sometimes	Sometimes