

By: Lozano

H.B. No. 2457

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to notice requirements for certain municipal fees and the  
3 process to adopt a municipal budget that includes the use of revenue  
4 from those fees.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Chapter 102, Local Government Code, is amended  
7 by adding Section 102.0001 to read as follows:

8 Sec. 102.0001. DEFINITION. In this chapter, "fee" has the  
9 meaning assigned by Section 110.001.

10 SECTION 2. Section 102.005, Local Government Code, is  
11 amended by adding Subsection (b-1) to read as follows:

12 (b-1) A proposed budget that includes estimated revenue  
13 from a new fee or the increase of an existing fee must contain a  
14 cover page with the following statement in 18-point or larger type:  
15 "This budget includes estimated revenue from the following new or  
16 increased fees: (include a description of each new or increased  
17 fee, the dollar amount of each new fee, and the dollar amount of and  
18 percentage of increase of each increased fee)."

19 SECTION 3. Section 102.006(c), Local Government Code, is  
20 amended to read as follows:

21 (c) The governing body shall provide for public notice of  
22 the date, time, and location of the hearing. The notice must  
23 include, in type of a size at least equal to the type used for other  
24 items in the notice, any statement required to be included in the

1 proposed budget under Section 102.005(b) or (b-1).

2 SECTION 4. Section 102.0065(d), Local Government Code, is  
3 amended to read as follows:

4 (d) Notice under this section must include, in type of a  
5 size at least equal to the type used for other items in the notice,  
6 any statement required to be included in the proposed budget under  
7 Section 102.005(b) or (b-1).

8 SECTION 5. Section 102.007, Local Government Code, is  
9 amended by adding Subsection (c-1) and amending Subsection (d) to  
10 read as follows:

11 (c-1) Adoption of a budget that includes estimated revenue  
12 from a new fee or the increase of an existing fee requires a  
13 separate vote of the governing body to ratify the use of the total  
14 amount of the revenue from all new or increased fees. A vote under  
15 this subsection is in addition to and separate from the vote to  
16 adopt the budget or a vote to adopt or increase the fee.

17 (d) An adopted budget must contain a cover page that  
18 includes:

19 (1) one of the following statements in 18-point or  
20 larger type that accurately describes the adopted budget:

21 (A) "This budget will raise more revenue from  
22 property taxes than last year's budget by an amount of (insert total  
23 dollar amount of increase), which is a (insert percentage increase)  
24 percent increase from last year's budget. The property tax revenue  
25 to be raised from new property added to the tax roll this year is  
26 (insert amount computed by multiplying the proposed tax rate by the  
27 value of new property added to the roll).";

1           (B) "This budget will raise less revenue from  
2 property taxes than last year's budget by an amount of (insert total  
3 dollar amount of decrease), which is a (insert percentage decrease)  
4 percent decrease from last year's budget. The property tax revenue  
5 to be raised from new property added to the tax roll this year is  
6 (insert amount computed by multiplying the proposed tax rate by the  
7 value of new property added to the roll)."; or

8           (C) "This budget will raise the same amount of  
9 revenue from property taxes as last year's budget. The property  
10 tax revenue to be raised from new property added to the tax roll  
11 this year is (insert amount computed by multiplying the proposed  
12 tax rate by the value of new property added to the roll).";

13           (2) if applicable, the following statement in 18-point  
14 or larger type: "This budget includes estimated revenue from the  
15 following new or increased fees: (include a description of each new  
16 or increased fee, the dollar amount of each new fee, and the dollar  
17 amount of and percentage of increase of each increased fee).";

18           (3) the record vote of each member of the governing  
19 body by name voting on the adoption of the budget;

20           (4) [~~(3)~~] the municipal property tax rates for the  
21 preceding fiscal year, and each municipal property tax rate that  
22 has been adopted or calculated for the current fiscal year,  
23 including:

24                   (A) the property tax rate;

25                   (B) the no-new-revenue tax rate;

26                   (C) the no-new-revenue maintenance and  
27 operations tax rate;

1 (D) the voter-approval tax rate; and  
2 (E) the debt rate; and  
3 (5) [~~(4)~~] the total amount of municipal debt  
4 obligations.

5 SECTION 6. Section 102.008, Local Government Code, is  
6 amended to read as follows:

7 Sec. 102.008. APPROVED BUDGET FILED WITH MUNICIPAL  
8 CLERK: POSTING ON INTERNET. (a) On final approval of the budget  
9 by the governing body of the municipality, the governing body  
10 shall:

11 (1) file the budget with the municipal clerk; and  
12 (2) if the municipality maintains an Internet website,  
13 take action to ensure that:

14 (A) a copy of the budget, including the cover  
15 page, is posted on the website; and

16 (B) the record vote described by Section  
17 102.007(d)(3) [~~102.007(d)(2)~~] is posted on the website at least  
18 until the first anniversary of the date the budget is adopted.

19 (b) The governing body shall take action to ensure that the  
20 cover page of the budget is amended to include the property tax  
21 rates required by Section 102.007(d)(4) [~~102.007(d)(3)~~] for the  
22 current fiscal year if the rates are not included on the cover page  
23 when the budget is filed with the municipal clerk. The governing  
24 body shall file an amended cover page with the municipal clerk and  
25 take action to ensure that the amended cover page is posted on the  
26 municipality's website.

27 SECTION 7. Subtitle A, Title 4, Local Government Code, is

1 amended by adding Chapter 110 to read as follows:

2 CHAPTER 110. NOTIFICATION OF NEW OR INCREASED MUNICIPAL FEES

3 Sec. 110.001. DEFINITION. In this chapter, "fee" means any  
4 fee, charge, assessment, or similar payment required by a  
5 municipality for a privilege, service, authorization, permit,  
6 license, registration, certification, filing, or other municipal  
7 action or approval.

8 Sec. 110.002. E-MAIL NOTIFICATION SERVICE IN CERTAIN  
9 MUNICIPALITIES. (a) This section does not apply to a municipality  
10 located primarily in a county with a population of less than 30,000.

11 (b) Except as provided by Subsection (c), each municipality  
12 shall establish and maintain an e-mail notification service to  
13 which any person may electronically subscribe to receive  
14 information regarding new or increased municipal fees.

15 (c) A municipality that does not maintain an e-mail  
16 notification service for any purpose on January 1, 2023, may post  
17 the notifications described by Subsection (d)(1) on the Internet  
18 website of the municipality that are accessible from a prominently  
19 displayed link on the home page of that website instead of  
20 establishing an e-mail notification service as prescribed by this  
21 section.

22 (d) The e-mail notification service must:

23 (1) allow a subscriber to request notification of  
24 each:

25 (A) new fee proposed to be adopted by the  
26 municipality;

27 (B) existing fee proposed to be increased by the

1 municipality;

2 (C) proposed budget of the municipality that  
3 includes use of revenue from a fee described by Paragraph (A) or  
4 (B);

5 (D) adopted budget of the municipality that  
6 includes use of revenue from a fee described by Paragraph (A) or  
7 (B); or

8 (E) public hearing scheduled to be held at which  
9 a fee or budget described by Paragraphs (A)-(D) is scheduled to be  
10 discussed;

11 (2) include a link in the notification to any web page  
12 maintained by the municipality on which the fee or budget may be  
13 viewed; and

14 (3) notify the subscriber by e-mail not later than the  
15 day:

16 (A) the municipality provides public notice of a  
17 public hearing at which a proposed new or increased fee or a  
18 proposed budget is scheduled to be discussed, for notification of a  
19 public hearing for a proposed fee or budget;

20 (B) the budget officer files a proposed budget  
21 with the municipal clerk as required by Section 102.005, for  
22 notification of a proposed budget; or

23 (C) the governing body files an adopted budget  
24 with the municipal clerk as required by Section 102.008, for  
25 notification of an adopted budget.

26 SECTION 8. The changes in law made by Sections 102.005,  
27 102.006, 102.0065, 102.007, and 102.008, Local Government Code, as

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1 amended by this Act, apply only to a proposed or adopted budget for  
2 a fiscal year beginning on or after January 1, 2024.

3 SECTION 9. This Act takes effect September 1, 2023.