

By: Parker

S.B. No. 767

A BILL TO BE ENTITLED

1 AN ACT
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 underlined or boldfaced
15 type: "This budget includes estimated revenue from the following
16 new or increased fees: (include a description of each new or
17 increased fee, the dollar amount of each new fee, and the dollar
18 amount of and 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). The governing body of a municipality
8 may include in the notice the exact Internet location or uniform
9 resource locator (URL) address of the location on an Internet
10 website maintained by the municipality where the information
11 required to be included in the statement prescribed by Section
12 102.005(b-1) may be viewed instead of publishing that information
13 in the notice.

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

17 (c-1) Adoption of a budget that includes estimated revenue
18 from a new fee or the increase of an existing fee requires a
19 separate vote of the governing body to ratify the use of the total
20 amount of the revenue from all new or increased fees. A vote under
21 this subsection is in addition to and separate from the vote to
22 adopt the budget or a vote to adopt or increase the fee.

23 (d) An adopted budget must contain a cover page that
24 includes:

25 (1) one of the following statements in underlined
26 ~~[18-point]~~ or boldfaced ~~[larger]~~ type that accurately describes the
27 adopted budget:

1 (A) "This budget will raise more revenue from
2 property taxes than last year's budget by an amount of (insert total
3 dollar amount of increase), which is a (insert percentage increase)
4 percent increase 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).";

8 (B) "This budget will raise less revenue from
9 property taxes than last year's budget by an amount of (insert total
10 dollar amount of decrease), which is a (insert percentage decrease)
11 percent decrease from last year's budget. The property tax revenue
12 to be raised from new property added to the tax roll this year is
13 (insert amount computed by multiplying the proposed tax rate by the
14 value of new property added to the roll)."; or

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

20 (2) if applicable, the following statement in
21 underlined or boldfaced type: "This budget includes estimated
22 revenue from the following new or increased fees, and a list of
23 those fees is available at (insert exact Internet location or
24 uniform resource locator (URL) address on an Internet website
25 maintained by the municipality).";

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

1 (4) [~~(3)~~] the municipal property tax rates for the
2 preceding fiscal year, and each municipal property tax rate that
3 has been adopted or calculated for the current fiscal year,
4 including:

- 5 (A) the property tax rate;
- 6 (B) the no-new-revenue tax rate;
- 7 (C) the no-new-revenue maintenance and
8 operations tax rate;
- 9 (D) the voter-approval tax rate; and
- 10 (E) the debt rate; and

11 (5) [~~(4)~~] the total amount of municipal debt
12 obligations.

13 SECTION 6. Section [102.008](#), Local Government Code, is
14 amended to read as follows:

15 Sec. 102.008. APPROVED BUDGET FILED WITH MUNICIPAL
16 CLERK: POSTING ON INTERNET. (a) On final approval of the budget
17 by the governing body of the municipality, the governing body
18 shall:

- 19 (1) file the budget with the municipal clerk; and
- 20 (2) if the municipality maintains an Internet website,
21 take action to ensure that:

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

24 (B) the record vote described by Section
25 [102.007\(d\)\(3\)](#) [~~[102.007\(d\)\(2\)](#)~~] is posted on the website at least
26 until the first anniversary of the date the budget is adopted.

27 (b) The governing body shall take action to ensure that the

1 cover page of the budget is amended to include the property tax
2 rates required by Section 102.007(d)(4) [~~102.007(d)(3)~~] for the
3 current fiscal year if the rates are not included on the cover page
4 when the budget is filed with the municipal clerk. The governing
5 body shall file an amended cover page with the municipal clerk and
6 take action to ensure that the amended cover page is posted on the
7 municipality's website.

8 SECTION 7. Subtitle A, Title 4, Local Government Code, is
9 amended by adding Chapter 110 to read as follows:

10 CHAPTER 110. NOTIFICATION OF NEW OR INCREASED MUNICIPAL FEES

11 Sec. 110.001. DEFINITION. In this chapter, "fee" means any
12 fee, charge, assessment, or similar payment required by a
13 municipality for a privilege, service, authorization, permit,
14 license, registration, certification, filing, or other municipal
15 action or approval.

16 Sec. 110.002. E-MAIL NOTIFICATION SERVICE IN CERTAIN
17 MUNICIPALITIES. (a) This section does not apply to a municipality
18 with a population of less than 20,000.

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

23 (c) A municipality that does not maintain an e-mail
24 notification service for any purpose on January 1, 2023, shall post
25 the notifications described by Subsection (d)(1) on the Internet
26 website of the municipality that are accessible from a prominently
27 displayed link on the home page of that website instead of

1 establishing an e-mail notification service as prescribed by this
2 section.

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

4 (1) allow a subscriber to request notification of
5 each:

6 (A) new fee proposed to be adopted by the
7 municipality;

8 (B) existing fee proposed to be increased by the
9 municipality;

10 (C) proposed budget of the municipality that
11 includes use of revenue from a fee described by Paragraph (A) or
12 (B);

13 (D) adopted budget of the municipality that
14 includes use of revenue from a fee described by Paragraph (A) or
15 (B); or

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

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

22 (3) notify the subscriber by e-mail not later than the
23 second day after the date:

24 (A) the municipality provides public notice of a
25 public hearing at which a proposed new or increased fee or a
26 proposed budget is scheduled to be discussed, for notification of a
27 public hearing for a proposed fee or budget;

1 (B) the budget officer files a proposed budget
2 with the municipal clerk as required by Section 102.005, for
3 notification of a proposed budget; or

4 (C) the governing body files an adopted budget
5 with the municipal clerk as required by Section 102.008, for
6 notification of an adopted budget.

7 Sec. 110.003. LIST OF MUNICIPAL FEES. The governing body of
8 a municipality shall designate an individual in the city manager's,
9 city secretary's, or city budget director's office who can provide a
10 comprehensive list of municipal fees to a person on request.

11 SECTION 8. The changes in law made by Sections 102.005,
12 102.006, 102.0065, 102.007, and 102.008, Local Government Code, as
13 amended by this Act, apply only to a proposed or adopted budget for
14 a fiscal year beginning on or after January 1, 2024.

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