

BILL ANALYSIS

C.S.H.B. 3195

By: Hill

Local Government Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current truth-in-taxation law, there is no budgetary mechanism to identify when total property taxes in a city or county will go up from one year to the next. The effective tax rate calculation is useful for isolating tax increases on existing homes and businesses, but does not account for increased levy due to new property added since the last year.

C.S.H.B. 3195 expands the truth-in-taxation information available to taxpayers by requiring a city council or county commissioners court to identify at the budget stage that the proposed budget anticipates raising more total property taxes than the year before. The bill also requires a separate ratification vote to adopt a budget that raises more total property taxes than in the previous year.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 102.005 of the Local Government Code by adding Subsections (b) and (c) to provide that a proposed city budget that will raise more total revenue from property taxes than the previous year must contain a cover page with an 18-point or larger type notice specifically giving notice of the tax increase, the amount and percentage of the increase and the amount of the increase that will be raised from new property added to the tax roll. The section also provides that any person may inspect the budget and that if the municipality has a website, the clerk shall post the budget on the website.

SECTION 2. Amends Section 102.006(a) and (c) of the Local Government Code to provide that any person may participate in a budget hearing and to require that the public notice of a budget hearing must contain the tax increase statement required in SECTION 1 of the bill.

SECTION 3. Amends Section 102.0065 of the Local Government Code to provide that the published notice of a budget hearing must contain the tax increase statement required in SECTION 1 of the bill.

SECTION 4. Amends Section 102.007 of the Local Government Code to require that adoption of a city budget that raises more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the increase.

SECTION 5. Amends Section 102.008 to require the governing body of the municipality with a website to ensure that the final approved budget is posted on the website.

SECTION 6. Amends Section 102.0011 of the Local Government Code to provide that the tax increase provisions of SECTIONS 1 through 4 of the bill apply regardless of the provisions of a municipal charter.

SECTION 7. Amends Section 111.003 of the Local Government Code by adding Subsection (b) to provide that a proposed county budget for certain counties under 225,001 population that will raise more total revenue from property taxes than the previous year must contain a cover page with an 18-point or larger type notice specifically giving notice of the tax increase, the amount

and percentage of the increase and the amount of the increase that will be raised from new property added to the tax roll.

SECTION 8. Amends Section 111.006(b) of the Local Government Code to provide that the proposed budget in counties under 225,001 population may be inspected by any person and that if the county maintains a website, the county clerk shall ensure that the budget is posted on the website.

SECTION 9. Amends Section 111.007(a) and (c) of the Local Government Code to provide that in certain counties under 225,001 population any person may attend the budget hearing, and the public notice of a budget hearing must contain the tax increase statement required in SECTION 6 of the bill.

SECTION 10. Amends Section 111.0075 of the Local Government Code by adding Subsection (d) to provide that the published notice of the budget hearing in certain counties under 225,001 population must contain the tax increase statement required in SECTION 6 of the bill.

SECTION 11. Amends Section 111.008 of the Local Government Code to require that adoption of a budget in certain counties under 225,001 population that raises more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the increase.

SECTION 12. Amends Section 111.009 of the Local Government Code to provide that counties under 225,001 that have websites post their final approved budget on the website.

SECTION 13. Amends Section 111.033 of the Local Government Code by adding Subsection (b) to provide that a proposed county budget for a certain counties over 225,000 population that will raise more total revenue from property taxes than the previous year must contain a cover page with an 18-point or larger type notice specifically giving notice of the tax increase, the amount and percentage of the increase and the amount of the increase that will be raised from new property added to the tax roll.

SECTION 14. Amends Section 111.037(b) of the Local Government Code to provide that the proposed budget in certain counties over 225,000 population may be inspected by any person and that if the county has a website, the county clerk shall ensure that the budget is posted online.

SECTION 15. Amends Section 111.038 of the Local Government Code to provide that in counties over 225,000 population any person may attend the budget hearing, and the public notice of a budget hearing must contain the tax increase statement required in SECTION 11 of the bill.

SECTION 16. Amends Section 111.0385 of the Local Government Code to provide that the published notice of the budget hearing in certain counties over 225,000 population must contain the tax increase statement required in SECTION 11 of the bill.

SECTION 17. Amends Section 111.039 of the Local Government Code to require that adoption of a budget in certain counties over 225,000 population that raises more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the increase.

SECTION 18. Amends Section 111.040 of the Local Government Code to provide that the clerk of a county with a population of over 225,000 that has a website ensure that the final approved budget is posted online.

SECTION 19. Amends Section 111.067 of the Local Government Code by adding Subsection (d) to provide that in certain counties over 125,000 population that the published notice of a budget hearing must contain the tax increase statement required by SECTION 11 of the bill.

SECTION 20. Provides that the provisions of the bill apply only to a budget adopted after the effective date of the act.

SECTION 21. Effective date: September 1, 2007.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 3195 adds provisions that requires cities and counties with websites to post their budgets online and that a notice required to be published under the bill include the amount of property taxes to be raised from new property added to the tax roll.