

By: Paxton

S.B. No. 656

A BILL TO BE ENTITLED

AN ACT

relating to providing transparency in the taxing and budgeting process of certain local governments.

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

SECTION 1. Section 102.007, Local Government Code, is amended by amending Subsections (a) and (c) and adding Subsection (d) to read as follows:

(a) At the conclusion of the public hearing, the governing body of the municipality shall take action on the proposed budget. A vote to adopt the budget must be a record vote.

(c) Adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate record vote of the governing body to ratify the property tax increase reflected in the budget. A record vote under this subsection is in addition to and separate from the record vote to adopt the budget or a record vote to set the tax rate required by Chapter 26, Tax Code, or other law.

(d) An adopted budget that will require raising more revenue from property taxes than in the previous year must contain a cover page that includes:

(1) the following statement in 18-point or larger type: "This budget will raise more total property taxes than last year's budget by (insert total dollar amount of increase and percentage increase), and of that amount (insert amount computed by

1 multiplying the proposed tax rate by the value of new property added  
2 to the roll) is tax revenue to be raised from new property added to  
3 the tax roll this year.";

4 (2) the record vote of each member of the governing  
5 body by name voting on:

6 (A) the adoption of the budget;

7 (B) the ratification of the property tax increase  
8 under Subsection (c), if the vote has been taken; and

9 (C) the setting of the property tax rate for the  
10 current fiscal year, if the vote has been taken;

11 (3) the municipal property tax rates for the preceding  
12 and current fiscal years, including:

13 (A) the adopted property tax rate;

14 (B) the effective tax rate;

15 (C) the effective maintenance and operations tax  
16 rate;

17 (D) the rollback tax rate; and

18 (E) the debt rate; and

19 (4) the total amount of bonds and other debt  
20 obligations owed by the municipality.

21 SECTION 2. Section 102.008, Local Government Code, is  
22 amended to read as follows:

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

26 (1) file the budget with the municipal clerk; and

27 (2) if the municipality maintains an Internet website,

1 take action to ensure that:

2 (A) a copy of the budget, including any required  
3 cover page, is posted on the website; and

4 (B) the record votes described by this section  
5 and Section 102.007(d)(2) are posted on the website at least until  
6 the first anniversary of the date the budget is adopted.

7 (b) The governing body shall take action to ensure that the  
8 cover page of the budget is amended to include the record vote of  
9 each member of the governing body by name following a vote on:

10 (1) the ratification of the property tax increase  
11 under Section 102.007(c), if the information is not included on the  
12 cover page; and

13 (2) the setting of the property tax rate for the  
14 current fiscal year, if the information is not included on the cover  
15 page.

16 SECTION 3. Section 111.008, Local Government Code, is  
17 amended by amending Subsections (a) and (c) and adding Subsection  
18 (d) to read as follows:

19 (a) At the conclusion of the public hearing, the  
20 commissioners court shall take action on the proposed budget. A  
21 vote to adopt the budget must be a record vote.

22 (c) Adoption of a budget that will require raising more  
23 revenue from property taxes than in the previous year requires a  
24 separate record vote of the commissioners court to ratify the  
25 property tax increase reflected in the budget. A record vote under  
26 this subsection is in addition to and separate from the record vote  
27 to adopt the budget or a record vote to set the tax rate required by

1 Chapter 26, Tax Code, or other law.

2 (d) An adopted budget that will require raising more revenue  
3 from property taxes than in the previous year must contain a cover  
4 page that includes:

5 (1) the following statement in 18-point or larger  
6 type: "This budget will raise more total property taxes than last  
7 year's budget by (insert total dollar amount of increase and  
8 percentage increase), and of that amount (insert amount computed by  
9 multiplying the proposed tax rate by the value of new property added  
10 to the roll) is tax revenue to be raised from new property added to  
11 the tax roll this year.";

12 (2) the record vote of each member of the  
13 commissioners court by name voting on:

14 (A) the adoption of the budget;

15 (B) the ratification of the property tax increase  
16 under Subsection (c), if the vote has been taken; and

17 (C) the setting of the property tax rate for the  
18 current fiscal year, if the vote has been taken;

19 (3) the county property tax rates for the preceding  
20 and current fiscal years, including:

21 (A) the adopted property tax rate;

22 (B) the effective tax rate;

23 (C) the effective maintenance and operations tax  
24 rate;

25 (D) the rollback tax rate; and

26 (E) the debt rate; and

27 (4) the total amount of bonds and other debt

1 obligations owed by the county.

2 SECTION 4. Section 111.009, Local Government Code, is  
3 amended to read as follows:

4 Sec. 111.009. APPROVED BUDGET FILED WITH COUNTY CLERK:  
5 POSTING ON INTERNET. (a) On final approval of the budget by the  
6 commissioners court, the court shall:

- 7 (1) file the budget with the county clerk; and  
8 (2) if the county maintains an Internet website, take  
9 action to ensure that:

10 (A) a copy of the budget, including any required  
11 cover page, is posted on the website; and

12 (B) the record votes described by this section  
13 and Section 111.008(d)(2) are posted on the website at least until  
14 the first anniversary of the date the budget is adopted.

15 (b) The commissioners court shall take action to ensure that  
16 the cover page of the budget is amended to include the record vote  
17 of each member of the court by name following a vote on:

18 (1) the ratification of the property tax increase  
19 under Section 111.008(c), if the information is not included on the  
20 cover page; and

21 (2) the setting of the property tax rate for the  
22 current fiscal year, if the information is not included on the cover  
23 page.

24 SECTION 5. Section 111.039, Local Government Code, is  
25 amended by amending Subsections (a) and (c) and adding Subsection  
26 (d) to read as follows:

27 (a) At the conclusion of the public hearing, the

1 commissioners court shall take action on the proposed budget. A  
2 vote to adopt the budget must be a record vote.

3 (c) Adoption of a budget that will require raising more  
4 revenue from property taxes than in the previous year requires a  
5 separate record vote of the commissioners court to ratify the  
6 property tax increase reflected in the budget. A record vote under  
7 this subsection is in addition to and separate from the record vote  
8 to adopt the budget or a record vote to set the tax rate required by  
9 Chapter 26, Tax Code, or other law.

10 (d) An adopted budget that will require raising more revenue  
11 from property taxes than in the previous year must contain a cover  
12 page that includes:

13 (1) the following statement in 18-point or larger  
14 type: "This budget will raise more total property taxes than last  
15 year's budget by (insert total dollar amount of increase and  
16 percentage increase), and of that amount (insert amount computed by  
17 multiplying the proposed tax rate by the value of new property added  
18 to the roll) is tax revenue to be raised from new property added to  
19 the tax roll this year.";

20 (2) the record vote of each member of the  
21 commissioners court by name voting on:

22 (A) the adoption of the budget;

23 (B) the ratification of the property tax increase  
24 under Subsection (c), if the vote has been taken; and

25 (C) the setting of the property tax rate for the  
26 current fiscal year, if the vote has been taken;

27 (3) the county property tax rates for the preceding

1 and current fiscal years, including:

2 (A) the adopted property tax rate;

3 (B) the effective tax rate;

4 (C) the effective maintenance and operations tax  
5 rate;

6 (D) the rollback tax rate; and

7 (E) the debt rate; and

8 (4) the total amount of bonds and other debt  
9 obligations owed by the county.

10 SECTION 6. Section 111.040, Local Government Code, is  
11 amended to read as follows:

12 Sec. 111.040. APPROVED BUDGET FILED WITH OFFICERS: POSTING  
13 ON INTERNET. (a) On final approval of the budget by the  
14 commissioners court, the court shall:

15 (1) file a copy of the budget with the county auditor  
16 and the county clerk; and

17 (2) if the county maintains an Internet website, take  
18 action to ensure that:

19 (A) a copy of the budget, including any required  
20 cover page, is posted on the website; and

21 (B) the record votes described by this section  
22 and Section 111.039(d)(2) are posted on the website at least until  
23 the first anniversary of the date the budget is adopted.

24 (b) The commissioners court shall take action to ensure that  
25 the cover page of the budget is amended to include the record vote  
26 of each member of the court by name following a vote on:

27 (1) the ratification of the property tax increase

1 under Section 111.039(c), if the information is not included on the  
2 cover page; and

3 (2) the setting of the property tax rate for the  
4 current fiscal year, if the information is not included on the cover  
5 page.

6 SECTION 7. Section 111.068, Local Government Code, is  
7 amended by amending Subsection (a) and adding Subsections (c) and  
8 (d) to read as follows:

9 (a) At the conclusion of the public hearing, the  
10 commissioners court shall take action on the proposed budget. A  
11 vote to adopt the budget must be a record vote.

12 (c) Adoption of a budget that will require raising more  
13 revenue from property taxes than in the previous year requires a  
14 separate record vote of the commissioners court to ratify the  
15 property tax increase reflected in the budget. A record vote under  
16 this subsection is in addition to and separate from the record vote  
17 to adopt the budget or a record vote to set the tax rate required by  
18 Chapter 26, Tax Code, or other law.

19 (d) An adopted budget that will require raising more revenue  
20 from property taxes than in the previous year must contain a cover  
21 page that includes:

22 (1) the following statement in 18-point or larger  
23 type: "This budget will raise more total property taxes than last  
24 year's budget by (insert total dollar amount of increase and  
25 percentage increase), and of that amount (insert amount computed by  
26 multiplying the proposed tax rate by the value of new property added  
27 to the roll) is tax revenue to be raised from new property added to

1 the tax roll this year.";

2 (2) the record vote of each member of the  
3 commissioners court by name voting on:

4 (A) the adoption of the budget;

5 (B) the ratification of the property tax increase  
6 under Subsection (c), if the vote has been taken; and

7 (C) the setting of the property tax rate for the  
8 current fiscal year, if the vote has been taken;

9 (3) the county property tax rates for the preceding  
10 and current fiscal years, including:

11 (A) the adopted property tax rate;

12 (B) the effective tax rate;

13 (C) the effective maintenance and operations tax  
14 rate;

15 (D) the rollback tax rate; and

16 (E) the debt rate; and

17 (4) the total amount of bonds and other debt  
18 obligations owed by the county.

19 SECTION 8. Section 111.069, Local Government Code, is  
20 amended to read as follows:

21 Sec. 111.069. APPROVED BUDGET FILED WITH OFFICERS; POSTING  
22 ON INTERNET. (a) On final approval of the budget by the  
23 commissioners court, the court shall:

24 (1) file a copy of the budget with the county auditor  
25 and the county clerk; and

26 (2) if the county maintains an Internet website, take  
27 action to ensure that:

1           (A) a copy of the budget, including any required  
2 cover page, is posted on the website; and

3           (B) the record votes described by this section  
4 and Section 111.068(d)(2) are posted on the website at least until  
5 the first anniversary of the date the budget is adopted.

6           (b) The commissioners court shall take action to ensure that  
7 the cover page of the budget is amended to include the record vote  
8 of each member of the court by name following a vote on:

9           (1) the ratification of the property tax increase  
10 under Section 111.068(c), if the information is not included on the  
11 cover page; and

12           (2) the setting of the property tax rate for the  
13 current fiscal year, if the information is not included on the cover  
14 page.

15           SECTION 9. Section 26.05(b), Tax Code, is amended to read as  
16 follows:

17           (b) A taxing unit may not impose property taxes in any year  
18 until the governing body has adopted a tax rate for that year, and  
19 the annual tax rate must be set by ordinance, resolution, or order,  
20 depending on the method prescribed by law for adoption of a law by  
21 the governing body. The vote on the ordinance, resolution, or order  
22 setting the tax rate must be separate from the vote adopting the  
23 budget. The vote on the ordinance, resolution, or order setting a  
24 tax rate [~~that exceeds the effective tax rate~~] must be a record  
25 vote. A motion to adopt an ordinance, resolution, or order setting  
26 a tax rate that exceeds the effective tax rate must be made in the  
27 following form: "I move that the property tax rate be increased by

1 the adoption of a tax rate of (specify tax rate), which is  
2 effectively a (insert percentage by which the proposed tax rate  
3 exceeds the effective tax rate) percent increase in the tax rate."  
4 If the ordinance, resolution, or order sets a tax rate that, if  
5 applied to the total taxable value, will impose an amount of taxes  
6 to fund maintenance and operation expenditures of the taxing unit  
7 that exceeds the amount of taxes imposed for that purpose in the  
8 preceding year, the taxing unit must:

9 (1) include in the ordinance, resolution, or order in  
10 type larger than the type used in any other portion of the document:

11 (A) the following statement: "THIS TAX RATE WILL  
12 RAISE MORE TAXES FOR MAINTENANCE AND OPERATIONS THAN LAST YEAR'S  
13 TAX RATE."; and

14 (B) if the tax rate exceeds the effective  
15 maintenance and operations rate, the following statement: "THE TAX  
16 RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE  
17 TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE)  
18 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A  
19 \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."; and

20 (2) include on the home page of any Internet website  
21 operated by the unit:

22 (A) the following statement: "(Insert name of  
23 unit) ADOPTED A TAX RATE THAT WILL RAISE MORE TAXES FOR MAINTENANCE  
24 AND OPERATIONS THAN LAST YEAR'S TAX RATE"; and

25 (B) if the tax rate exceeds the effective  
26 maintenance and operations rate, the following statement: "THE TAX  
27 RATE WILL EFFECTIVELY BE RAISED BY (INSERT PERCENTAGE BY WHICH THE

1 TAX RATE EXCEEDS THE EFFECTIVE MAINTENANCE AND OPERATIONS RATE)  
2 PERCENT AND WILL RAISE TAXES FOR MAINTENANCE AND OPERATIONS ON A  
3 \$100,000 HOME BY APPROXIMATELY \$(Insert amount)."

4 SECTION 10. This Act applies only to a budget adopted, or a  
5 vote taken on a fiscal matter, for a fiscal year beginning on or  
6 after the effective date of this Act. A budget adopted, or a vote  
7 taken on a fiscal matter, for a fiscal year beginning before the  
8 effective date of this Act is governed by the law in effect when the  
9 budget was adopted or the vote was taken, and that law is continued  
10 in effect for that purpose.

11 SECTION 11. This Act takes effect September 1, 2013.