

By: Burton

S.B. No. 710

A BILL TO BE ENTITLED

AN ACT

relating to the organization of a municipal government as a Liberty City general-law municipality.

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

SECTION 1. Section 1.005, Local Government Code, is amended by amending Subdivision (1) and adding Subdivision (2-a) to read as follows:

(1) "General-law municipality" means a municipality designated by Chapter 5 as a Type A general-law municipality, Type B general-law municipality, ~~or~~ Type C general-law municipality, or Liberty City.

(2-a) "Liberty City" means a municipality designated by Chapter 5 as a Liberty City general-law municipality.

SECTION 2. Subchapter A, Chapter 5, Local Government Code, is amended by adding Section 5.006 to read as follows:

Sec. 5.006. LIBERTY CITY. A municipality is a Liberty City general-law municipality if the municipality:

(1) has incorporated as or converted to a Liberty City under Chapter 10; and

(2) has not converted to another type of municipality.

SECTION 3. Subtitle A, Title 2, Local Government Code, is amended by adding Chapter 10 to read as follows:

CHAPTER 10. LIBERTY CITY

SUBCHAPTER A. INCORPORATION OF LIBERTY CITY

Sec. 10.001. AUTHORITY TO INCORPORATE AS LIBERTY CITY. (a)

A community may incorporate as a Liberty City if the community:

- (1) constitutes an unincorporated city or town;
- (2) contains 200 or more inhabitants; and
- (3) meets the territorial requirements prescribed by

Section 5.901.

(b) Notwithstanding Section 42.041, a community located wholly or partly in the extraterritorial jurisdiction of a municipality may incorporate as a Liberty City in that extraterritorial jurisdiction if:

(1) the residents of the community submit with the application for incorporation a petition consenting to the incorporation signed by a number of registered voters of the municipality equal to or greater than 25 percent of the number of voters who voted in the most recent municipal election; and

(2) the procedural requirements prescribed by Subchapter A, Chapter 8, and Section 10.002 are satisfied.

Sec. 10.002. INCORPORATION PROCEDURES. (a) Except as provided by this section, the procedures for incorporating as a Liberty City are the same as those prescribed for incorporating as a Type C general-law municipality.

(b) In addition to the requirements prescribed by Subchapter A, Chapter 8, a petition to incorporate as a Liberty City must:

- (1) state whether the municipality will operate under

1 an aldermanic or commission form of government;

2 (2) state the number of members, including the mayor,
3 who will comprise the governing body of the municipality; and

4 (3) include the petition consenting to incorporation
5 described by Section 10.001(b)(1) if the community is incorporating
6 in the extraterritorial jurisdiction of a municipality.

7 SUBCHAPTER B. CONVERSION FROM ANOTHER MUNICIPAL TYPE TO LIBERTY
8 CITY

9 Sec. 10.021. AUTHORITY TO CONVERT TO LIBERTY CITY. A Type
10 A, Type B, or Type C general-law municipality containing 200 or more
11 residents may convert to a Liberty City.

12 Sec. 10.022. RESOLUTION OR PETITION REQUESTING CONVERSION.

13 (a) The majority of the governing body of a municipality by
14 resolution may request the mayor to order an election to determine
15 whether the municipality will convert to a Liberty City.

16 (b) The residents of a municipality may request the mayor to
17 order an election to determine whether the municipality will
18 convert to a Liberty City by filing with the mayor a written
19 petition requesting the election signed by a number of registered
20 voters of the municipality equal to or greater than 25 percent of
21 the number of voters who voted in the most recent municipal
22 election.

23 (c) A resolution or petition described by this section must
24 state:

25 (1) whether the municipality, if converted, will
26 operate under an aldermanic or commission form of government; and

27 (2) the number of members, including the mayor, who

1 will comprise the governing body of the municipality, if converted.

2 (d) On receipt of a petition under this section, the mayor
3 shall determine whether the petition meets the requirements of
4 Subsections (b) and (c).

5 Sec. 10.023. ELECTION TO CONVERT. The mayor of a
6 municipality shall order an election to determine whether the
7 municipality will convert to a Liberty City if:

8 (1) a resolution is adopted that meets the
9 requirements of Sections 10.022(a) and (c); or

10 (2) a petition is filed with and determined valid by
11 the mayor under Sections 10.022(b) and (d).

12 Sec. 10.024. ORDER OF CONVERSION. If the conversion is
13 approved by a vote of a majority of the qualified voters of the
14 municipality voting at an election ordered under this subchapter,
15 the mayor shall enter an order in the minutes of the governing body
16 of the municipality that the municipality is converted to a Liberty
17 City. The conversion is effective on the date the order is entered.

18 SUBCHAPTER C. BILL OF RIGHTS

19 Sec. 10.041. BILL OF RIGHTS. A Liberty City is bound by the
20 following bill of rights on the date the municipality is
21 incorporated as or converted to a Liberty City:

22 BILL OF RIGHTS OF A LIBERTY CITY

23 Article 1. The residents and governing body of a Liberty City
24 recognize the fundamental natural rights of the people as protected
25 and preserved by the United States Constitution and the Texas
26 Constitution. The governing body of this Liberty City shall not
27 enact an ordinance, resolution, or similar measure, or take any

1 action, that infringes on the basic absolute and essential rights
2 of the people.

3 Article 2. The right of the people to bear arms shall not be
4 infringed.

5 Article 3. The right of the people to freedom of speech,
6 including political and nonpolitical expression, and of assembly
7 shall not be infringed.

8 Article 4. The right of the people to practice the faith of
9 their choosing and to worship in both public and private places
10 shall not be infringed.

11 Article 5. The right of the people to be secure in their
12 persons and their property from unreasonable searches, including
13 the collection of data, surveillance, and forceful search methods,
14 conducted by an officer of the municipality without warrant, shall
15 not be infringed.

16 Article 6. The rule of lenity is to be enforced in all
17 applicable municipal proceedings.

18 SECTION 4. Subtitle B, Title 2, Local Government Code, is
19 amended by adding Chapter 27 to read as follows:

20 CHAPTER 27. FORM OF GOVERNMENT IN LIBERTY CITY

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 27.001. CHAPTER APPLICABLE TO LIBERTY CITY. This
23 chapter applies only to a Liberty City.

24 SUBCHAPTER B. FORM OF GOVERNMENT

25 Sec. 27.011. FORM OF GOVERNMENT. The municipality operates
26 under the aldermanic or commission form of government, as
27 determined by the voters when the municipality is incorporated as

1 or converted to a Liberty City.

2 SUBCHAPTER C. GOVERNING BODY

3 Sec. 27.021. GOVERNING BODY. The governing body of the
4 municipality is comprised of the mayor and the number of
5 commissioners or aldermen, as applicable, established at the
6 election to incorporate as or convert to a Liberty City.

7 Sec. 27.022. INITIAL ELECTION OF GOVERNING BODY. The
8 initial governing body of the municipality, including the mayor,
9 must be elected at the election to incorporate as or convert to a
10 Liberty City.

11 Sec. 27.023. TERM OF OFFICE. The mayor and members of the
12 governing body of the municipality serve for a term of two years
13 unless a longer term is established as authorized under Article XI,
14 Section 11, of the Texas Constitution.

15 Sec. 27.024. BOND. The mayor and members of the governing
16 body of the municipality must each execute a bond payable to the
17 municipality and conditioned that the officer will faithfully
18 perform the duties of the office.

19 SUBCHAPTER D. MUNICIPAL OFFICERS

20 Sec. 27.041. CREATION OF MUNICIPAL OFFICES. The governing
21 body of the municipality may:

- 22 (1) create additional offices of the municipality;
23 (2) determine the method for selecting officers; and
24 (3) prescribe the qualifications, duties, and tenure
25 of office for officers.

26 Sec. 27.042. BOND. The governing body of the municipality
27 may require a municipal officer to execute a bond payable to the

1 municipality and conditioned that the officer will faithfully
2 perform the duties of the office.

3 SECTION 5. Subchapter B, Chapter 43, Local Government Code,
4 is amended by adding Section 43.037 to read as follows:

5 Sec. 43.037. AUTHORITY OF LIBERTY CITY TO ANNEX AREA. (a)
6 Notwithstanding any other law, a Liberty City may annex an area
7 under this chapter only if:

8 (1) the municipality holds an election in the
9 municipality, at which the qualified voters of the municipality may
10 vote on the question of the annexation, and a majority of the votes
11 received at the election approve the annexation; and

12 (2) one of the following conditions is met:

13 (A) the municipality holds an election in the
14 area proposed to be annexed, at which the qualified voters of the
15 area may vote on the question of the annexation, and a majority of
16 the votes received at the election approve the annexation;

17 (B) a majority of the registered voters of the
18 area proposed to be annexed petition the governing body of the
19 municipality, in writing, to annex the area; or

20 (C) no qualified voters reside in the area
21 proposed to be annexed.

22 (b) On the effective date of an annexation ordinance, the
23 area becomes a part of the municipality and a resident of the area
24 is entitled to the rights and privileges of a resident of the
25 municipality and is bound by the acts and ordinances adopted by the
26 municipality.

27 SECTION 6. Chapter 51, Local Government Code, is amended by

1 adding Subchapter F to read as follows:

2 SUBCHAPTER F. PROVISIONS APPLICABLE TO LIBERTY CITY

3 Sec. 51.091. SUBCHAPTER APPLICABLE TO LIBERTY CITY. This
4 subchapter applies only to a Liberty City.

5 Sec. 51.092. AUTHORITY, DUTIES, AND PRIVILEGES. The
6 municipality has the same authority, duties, and privileges as a
7 Type A general-law municipality that are not inconsistent with this
8 subchapter or another provision of law specifically governing a
9 Liberty City.

10 Sec. 51.093. AUTHORITY TO IMPOSE PROPERTY TAX. The
11 municipality may not impose a tax on real or personal property or
12 increase the rate of an adopted tax on real or personal property
13 unless the imposition or increase is approved by at least 60 percent
14 of the qualified voters of the municipality voting at an election
15 held for that purpose.

16 Sec. 51.094. AUTHORITY TO ISSUE PUBLIC DEBT; ELECTION. (a)
17 In this section, "debt obligation" means a public security, as
18 defined by Section 1201.002, Government Code.

19 (b) The municipality may not issue bonds, certificates of
20 obligation, or other debt obligations unless the issuance is
21 approved by a vote of a majority of the qualified voters of the
22 municipality voting at an election held for that purpose.

23 Sec. 51.095. PROHIBITION ON ADOPTION AND ENFORCEMENT OF
24 ZONING ORDINANCE OR COMPREHENSIVE PLAN. The municipality may not
25 adopt or enforce:

26 (1) a zoning ordinance or regulation; or

27 (2) a comprehensive plan that provides for the

1 long-range development of the municipality.

2 SECTION 7. Section 102.002, Local Government Code, is
3 amended to read as follows:

4 Sec. 102.002. ANNUAL BUDGET REQUIRED. The budget officer
5 shall prepare each year a municipal budget to cover the proposed
6 expenditures of the municipal government for the succeeding year.
7 A municipal budget prepared by the budget officer for a Liberty City
8 must be a zero-based budget.

9 SECTION 8. Section 102.003, Local Government Code, is
10 amended by amending Subsection (a) and adding Subsection (c) to
11 read as follows:

12 (a) The budget officer shall itemize the budget to allow as
13 clear a comparison as practicable between expenditures included in
14 the proposed budget and actual expenditures for the same or similar
15 purposes made for the preceding year. The budget of a municipality
16 other than a Liberty City must show as definitely as possible each
17 of the projects for which expenditures are set up in the budget and
18 the estimated amount of money carried in the budget for each
19 project.

20 (c) The budget officer of a Liberty City shall prepare a
21 zero-based budget that contains:

22 (1) a description of the discrete activities the
23 municipality conducts or performs with:

24 (A) a justification for each activity by
25 reference to a statute, ordinance, or other legal authority; and

26 (B) an evaluation of the effectiveness and
27 efficiency of the municipality's policies, management, fiscal

1 affairs, and operations in relation to each activity;

2 (2) for each activity identified under Subdivision
3 (1), an itemized account of expenditures required to maintain the
4 activity at any minimum level of service required by statute,
5 ordinance, or other legal authority;

6 (3) for each activity identified under Subdivision
7 (1), an itemized account of expenditures required to maintain the
8 activity at the current level of service or performance; and

9 (4) recommendations to the governing body of the
10 municipality regarding whether the municipality should continue
11 funding each activity identified under Subdivision (1) and, if so,
12 at what level.

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

15 CHAPTER 110. MISCELLANEOUS FINANCIAL PROVISIONS AFFECTING
16 MUNICIPALITIES

17 Sec. 110.001. LIBERTY CITY ANNUAL FINANCIAL REPORT; DEBT
18 INFORMATION. (a) In this section, "debt obligation" means an
19 issued public security, as defined by Section 1201.002, Government
20 Code.

21 (b) The governing body of a Liberty City shall prepare a
22 comprehensive annual financial report that includes:

23 (1) financial information for each fund subject to the
24 authority of the governing body of the municipality during the
25 fiscal year, including:

26 (A) the total receipts of the fund, itemized by
27 source of revenue, including taxes, assessments, service charges,

1 grants of state money, gifts, or other general sources from which
2 funds are derived;

3 (B) the total disbursements of the fund, itemized
4 by the nature of the expenditure;

5 (C) the balance in the fund as of the last day of
6 the fiscal year; and

7 (D) any other information required by law to be
8 included by the municipality in an annual financial report or
9 comparable annual financial statement, exhibit, or report; and

10 (2) then-current debt obligation information for the
11 municipality that must state:

12 (A) the principal of all outstanding debt
13 obligations;

14 (B) the principal of each outstanding debt
15 obligation;

16 (C) the combined principal and interest required
17 to pay all outstanding debt obligations on time and in full; and

18 (D) the combined principal and interest required
19 to pay each outstanding debt obligation on time and in full.

20 Sec. 110.002. LIBERTY CITY WEBSITE; TRANSPARENCY WEB PAGE.

21 (a) This section applies only to a Liberty City.

22 (b) The municipality shall maintain an Internet website.

23 (c) The municipality shall maintain on the municipality's
24 Internet website a web page dedicated to providing transparency to
25 the residents of the municipality of the activities of the
26 municipality. The municipality shall post the following municipal
27 information and documents on the web page as soon as the information

1 or document is available:

2 (1) the current contact information for each elected
3 municipal official;

4 (2) a link to another web page maintained by the
5 municipality allowing a person to submit an electronic request for
6 information under Chapter 552, Government Code;

7 (3) the notice, agenda, and minutes for each meeting
8 of the governing body of the municipality;

9 (4) the approved municipal budget and the information
10 required to be posted online by Section 102.008(a)(2);

11 (5) the comprehensive municipal annual financial
12 report;

13 (6) the annual audit of municipal records and
14 accounts;

15 (7) a statement of the budget and expenses for each
16 municipal department;

17 (8) the current municipal tax rates for all taxes
18 imposed by the municipality; and

19 (9) any other document or information that the
20 governing body of the municipality considers appropriate to be
21 posted on the web page.

22 (d) The municipality may not remove a document required to
23 be posted under Subsection (c) from the transparency web page until
24 the third anniversary of the date the document is posted.

25 (e) The requirements prescribed by this section are in
26 addition to any other requirement prescribed by law.

27 SECTION 10. Section 271.043(7), Local Government Code, is

1 amended to read as follows:

2 (7) "Issuer" means a municipality, county, or hospital
3 district established under Chapter 281, Health and Safety Code. The
4 term does not include a Liberty City.

5 SECTION 11. Chapter 1251, Government Code, is amended by
6 designating Sections 1251.001, 1251.002, 1251.003, 1251.004,
7 1251.005, and 1251.006 as Subchapter A and adding a subchapter
8 heading to read as follows:

9 SUBCHAPTER A. BOND ELECTION REQUIREMENTS FOR COUNTIES AND
10 MUNICIPALITIES

11 SECTION 12. Chapter 1251, Government Code, is amended by
12 adding Subchapter B to read as follows:

13 SUBCHAPTER B. DEBT ELECTION BALLOTS FOR LIBERTY CITIES

14 Sec. 1251.051. DEFINITIONS. In this subchapter:

15 (1) "Liberty City" has the meaning assigned by Section
16 1.005, Local Government Code.

17 (2) "Public security" has the meaning assigned by
18 Section 1201.002.

19 Sec. 1251.052. CONTENTS OF BALLOT PROPOSITION. (a) The
20 proposition submitted for an election to authorize a Liberty City
21 to issue a public security must distinctly state:

22 (1) as a total amount and as a per capita amount:

23 (A) the then-current combined principal and
24 interest required to pay all outstanding public securities of the
25 municipality on time and in full; and

26 (B) the estimated combined principal and
27 interest required to pay the public security to be authorized on

1 time and in full; and

2 (2) if the public security is supported by property
3 taxes, the annual increase in property taxes attributable to the
4 public security to be issued that each homeowner of an
5 average-priced home within the municipality may be required to pay.

6 (b) The requirements for a proposition prescribed by this
7 section are in addition to any other requirements prescribed by
8 law. To the extent of a conflict between this section and Section
9 [52.072](#), Election Code, this section controls.

10 SECTION 13. This Act takes effect September 1, 2015.