

By: Villalba

H.B. No. 206

A BILL TO BE ENTITLED

AN ACT

relating to a limit on local government expenditures.

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

SECTION 1. Chapter 140, Local Government Code, is amended by adding Section 140.012 to read as follows:

Sec. 140.012. LIMIT ON ANNUAL EXPENDITURES. (a) In this section, "local government" means a municipality or county.

(b) Unless additional expenditures are authorized by a majority of the local government's voters voting at an election called for that purpose, a local government's total expenditures from all available sources of revenue in a fiscal year may not exceed the greater of:

(1) the amount of total expenditures for the preceding fiscal year; or

(2) an amount determined by multiplying the amount of total expenditures from all available sources of revenue in the preceding fiscal year by the product of:

(A) the sum of one and the estimated average rate of projected growth of the population that resides in the local government's geographic boundaries during the period ending on the last day of the fiscal year and beginning the first day of the preceding fiscal year; and

(B) the sum of one and the estimated average rate of monetary inflation in this state during the period described by

1 Paragraph (A).

2 (c) For purposes of determining the amount of total
3 expenditures described by Subsection (b):

4 (1) a local government shall use, as available, data
5 published by the United States Census Bureau as a basis for
6 estimating projected population growth;

7 (2) not later than May 1 of each year, the comptroller
8 of public accounts shall make available on the comptroller's
9 Internet website and submit to the secretary of state for
10 publication in the Texas Register the rate of monetary inflation in
11 this state for the preceding year; and

12 (3) as soon as practicable after receipt of the rate
13 described by Subdivision (2) from the comptroller, the secretary of
14 state shall publish that rate in the Texas Register.

15 (d) This section does not apply to a local government that
16 does not impose taxes or incur debt.

17 SECTION 2. The changes in law made by this Act apply only to
18 a fiscal year of a municipality or county that begins on or after
19 December 1, 2017.

20 SECTION 3. This Act takes effect December 1, 2017.