

A BILL TO BE ENTITLED

AN ACT

relating to requirements for new or increased municipal fees.

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

SECTION 1. Chapter 102, Local Government Code, is amended by adding Section 102.0001 to read as follows:

Sec. 102.0001. DEFINITION. In this chapter, "fee" has the meaning assigned by Section 109.001.

SECTION 2. Section 102.005, Local Government Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) A proposed budget that includes estimated revenue from a new fee or the increase of an existing fee must contain a cover page with the following statement in 18-point or larger type: "This budget includes estimated revenue from the following new or increased fees: (include a description of each new or increased fee, the dollar amount of each new fee, and the dollar amount of and percentage of increase of each increased fee)."

SECTION 3. Section 102.006(c), Local Government Code, is amended to read as follows:

(c) The governing body shall provide for public notice of the date, time, and location of the hearing. The notice must include, in type of a size at least equal to the type used for other items in the notice, any statement required to be included in the proposed budget under Section 102.005(b) or (b-1).

SECTION 4. Section 102.0065(d), Local Government Code, is

1 amended to read as follows:

2 (d) Notice under this section must include, in type of a  
3 size at least equal to the type used for other items in the notice,  
4 any statement required to be included in the proposed budget under  
5 Section 102.005(b) or (b-1).

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

9 (c-1) Adoption of a budget that includes estimated revenue  
10 from a new fee or the increase of an existing fee requires a  
11 separate vote of the governing body to ratify the use of that  
12 revenue. A vote under this subsection is in addition to and  
13 separate from the vote to adopt the budget or a vote to adopt or  
14 increase the fee.

15 (d) An adopted budget must contain a cover page that  
16 includes:

17 (1) one of the following statements in 18-point or  
18 larger type that accurately describes the adopted budget:

19 (A) "This budget will raise more revenue from  
20 property taxes than last year's budget by an amount of (insert total  
21 dollar amount of increase), which is a (insert percentage increase)  
22 percent increase from last year's budget. The property tax revenue  
23 to be raised from new property added to the tax roll this year is  
24 (insert amount computed by multiplying the proposed tax rate by the  
25 value of new property added to the roll).";

26 (B) "This budget will raise less revenue from  
27 property taxes than last year's budget by an amount of (insert total

1 dollar amount of decrease), which is a (insert percentage decrease)  
2 percent decrease from last year's budget. The property tax revenue  
3 to be raised from new property added to the tax roll this year is  
4 (insert amount computed by multiplying the proposed tax rate by the  
5 value of new property added to the roll)."; or

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

11 (2) if applicable, the following statement in 18-point  
12 or larger type: "This budget includes estimated revenue from the  
13 following new or increased fees: (include a description of each new  
14 or increased fee, the dollar amount of each new fee, and the dollar  
15 amount of and percentage of increase of each increased fee).";

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

18 (4) [~~3~~] the municipal property tax rates for the  
19 preceding fiscal year, and each municipal property tax rate that  
20 has been adopted or calculated for the current fiscal year,  
21 including:

- 22 (A) the property tax rate;
- 23 (B) the effective tax rate;
- 24 (C) the effective maintenance and operations tax  
25 rate;
- 26 (D) the rollback tax rate; and
- 27 (E) the debt rate; and

1           (5) [~~(4)~~] the total amount of municipal debt  
2 obligations.

3           SECTION 6. Section 102.008, Local Government Code, is  
4 amended to read as follows:

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

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

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

13                           (B) the record vote described by Section  
14 102.007(d)(3) [~~102.007(d)(2)~~] is posted on the website at least  
15 until the first anniversary of the date the budget is adopted.

16           (b) The governing body shall take action to ensure that the  
17 cover page of the budget is amended to include the property tax  
18 rates required by Section 102.007(d)(4) [~~102.007(d)(3)~~] for the  
19 current fiscal year if the rates are not included on the cover page  
20 when the budget is filed with the municipal clerk. The governing  
21 body shall file an amended cover page with the municipal clerk and  
22 take action to ensure that the amended cover page is posted on the  
23 municipality's website.

24           SECTION 7. Subtitle A, Title 4, Local Government Code, is  
25 amended by adding Chapter 109 to read as follows:

26                   CHAPTER 109. NEW OR INCREASED MUNICIPAL FEES

27           Sec. 109.001. DEFINITION. In this chapter, "fee" means any

1 fee, charge, assessment, or similar payment required by a  
2 municipality for a privilege, service, authorization, permit,  
3 license, registration, certification, filing, or other municipal  
4 action or approval.

5 Sec. 109.002. E-MAIL NOTIFICATION SERVICE. (a) This  
6 section does not apply to a municipality located primarily in a  
7 county with a population of less than 30,000.

8 (b) Each municipality shall establish and maintain an  
9 e-mail notification service to which any person may electronically  
10 subscribe to receive information regarding new or increased  
11 municipal fees.

12 (c) The e-mail notification service must:

13 (1) allow a subscriber to request notification of  
14 each:

15 (A) new fee proposed to be adopted by the  
16 municipality;

17 (B) existing fee proposed to be increased by the  
18 municipality;

19 (C) proposed budget of the municipality that  
20 includes use of revenue from a fee described by Paragraph (A) or  
21 (B);

22 (D) adopted budget of the municipality that  
23 includes use of revenue from a fee described by Paragraph (A) or  
24 (B); or

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

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

4           (3) notify the subscriber by e-mail not later than the  
5 day:

6           (A) the municipality provides public notice of a  
7 public hearing at which a proposed new or increased fee or a  
8 proposed budget is scheduled to be discussed, for notification of a  
9 public hearing for a proposed fee or budget;

10           (B) the budget officer files a proposed budget  
11 with the municipal clerk as required by Section 102.005, for  
12 notification of a proposed budget; or

13           (C) the governing body files an adopted budget  
14 with the municipal clerk as required by Section 102.008, for  
15 notification of an adopted budget.

16           Sec. 109.003. PUBLIC HEARING ON NEW OR INCREASED FEE.

17           (a) The governing body of a municipality may not adopt a new fee or  
18 the increase of an existing fee unless the governing body holds a  
19 public hearing at which members of the public are given the  
20 opportunity to be heard.

21           (b) The hearing required by Subsection (a) must be held not  
22 earlier than the 60th day or later than the 30th day before the date  
23 the governing body adopts the new fee or the increase of the  
24 existing fee.

25           SECTION 8. The changes in law made by Sections 102.005,  
26 102.006, 102.0065, 102.007, and 102.008, Local Government Code, as  
27 amended by this Act, apply only to a proposed or adopted budget for

1 a fiscal year beginning on or after January 1, 2018.

2 SECTION 9. This Act takes effect September 1, 2017.