

By: Hancock, et al.
(Parker)

S.B. No. 737

Substitute the following for S.B. No. 737:

By: Alvarado

C.S.S.B. No. 737

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
8 tax revenue to be raised from new property added to the tax roll
9 this year is (insert amount computed by multiplying the proposed
10 tax 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
6 CLERK: POSTING ON INTERNET. (a) On final approval of the budget
7 by the governing body of the municipality, the governing body
8 shall:

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

10 (2) if the municipality maintains an Internet website,
11 take action to ensure that:

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

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

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

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

1 CHAPTER 109. NOTIFICATION OF NEW OR INCREASED MUNICIPAL FEES

2 Sec. 109.001. DEFINITION. In this chapter, "fee" means any
3 fee, charge, assessment, or similar payment required by a
4 municipality for a privilege, service, authorization, permit,
5 license, registration, certification, filing, or other municipal
6 action or approval.

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

10 (b) Except as provided by Subsection (c), each municipality
11 shall establish and maintain an e-mail notification service to
12 which any person may electronically subscribe to receive
13 information regarding new or increased municipal fees.

14 (c) A municipality that does not maintain an e-mail
15 notification service for any purpose on January 1, 2017, may post
16 the notifications described by Subsection (d)(1) on the Internet
17 website of the municipality that are accessible from a prominently
18 displayed link on the home page of that website instead of
19 establishing an e-mail notification service as prescribed by this
20 section.

21 (d) The e-mail notification service must:

22 (1) allow a subscriber to request notification of
23 each:

24 (A) new fee proposed to be adopted by the
25 municipality;

26 (B) existing fee proposed to be increased by the
27 municipality;

1 (C) proposed budget of the municipality that
2 includes use of revenue from a fee described by Paragraph (A) or
3 (B);

4 (D) adopted budget of the municipality that
5 includes use of revenue from a fee described by Paragraph (A) or
6 (B); or

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

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

13 (3) notify the subscriber by e-mail not later than the
14 day:

15 (A) the municipality provides public notice of a
16 public hearing at which a proposed new or increased fee or a
17 proposed budget is scheduled to be discussed, for notification of a
18 public hearing for a proposed fee or budget;

19 (B) the budget officer files a proposed budget
20 with the municipal clerk as required by Section 102.005, for
21 notification of a proposed budget; or

22 (C) the governing body files an adopted budget
23 with the municipal clerk as required by Section 102.008, for
24 notification of an adopted budget.

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.