

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 21, 2017

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB737 by Hancock (Relating to requirements for new or increased municipal fees.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code relating to the transparency in the budgeting adoption processes of municipalities. It would add certain required notifications of new or increased fees included in a proposed budget. It requires a separate vote on a new or increased fee in addition to the vote to adopt the budget. It requires municipalities to establish and maintain an e-mail notification system with certain specified requirements related to these new or increased fees.

No state agency is authorized or required to take any action as a result of this bill therefore no fiscal implication to the state is anticipated.

The bill would take effect September 1, 2017.

Local Government Impact

According to the Texas Municipal League, the requirement in the bill that cities establish and maintain an e-mail notification system has a potential impact that differs by city based on the capacity of existing electronic communication system hosted by other parties to be modified for this use. Cities without this capacity would be required to purchase base services, while cities with self-hosted municipal sites would incur some costs to develop this functionality if it does not already exist. Staff time would also be required to compose the e-mails that would be sent using the system.

Because of the variety of communication platforms cities in Texas use the fiscal impact cannot be determined; however, the Texas Municipal League indicates it is unlikely to be significant.

Source Agencies:

LBB Staff: UP, JGA, GG, GP, KKR