

1-1 By: Fallon, Campbell S.B. No. 849  
 1-2 (In the Senate - Filed February 14, 2019; March 1, 2019,  
 1-3 read first time and referred to Committee on Intergovernmental  
 1-4 Relations; April 3, 2019, reported favorably by the following  
 1-5 vote: Yeas 5, Nays 1; April 3, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Lucio	X			
1-8 Schwertner	X			
1-9 Alvarado		X		
1-10 Campbell	X			
1-11 Fallon	X			
1-12 Menéndez			X	
1-13 Nichols	X			

1-15 A BILL TO BE ENTITLED  
 1-16 AN ACT

1-17 relating to requirements for new or increased municipal fees.  
 1-18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
 1-19 SECTION 1. Chapter 102, Local Government Code, is amended  
 1-20 by adding Section 102.0001 to read as follows:  
 1-21 Sec. 102.0001. DEFINITION. In this chapter, "fee" has the  
 1-22 meaning assigned by Section 109.001.  
 1-23 SECTION 2. Section 102.005, Local Government Code, is  
 1-24 amended by adding Subsection (b-1) to read as follows:  
 1-25 (b-1) A proposed budget that includes estimated revenue  
 1-26 from a new fee or the increase of an existing fee must contain a  
 1-27 cover page with the following statement in 18-point or larger type:  
 1-28 "This budget includes estimated revenue from the following new or  
 1-29 increased fees: (include a description of each new or increased  
 1-30 fee, the dollar amount of each new fee, and the dollar amount of and  
 1-31 percentage of increase of each increased fee)."  
 1-32 SECTION 3. Section 102.006(c), Local Government Code, is  
 1-33 amended to read as follows:  
 1-34 (c) The governing body shall provide for public notice of  
 1-35 the date, time, and location of the hearing. The notice must  
 1-36 include, in type of a size at least equal to the type used for other  
 1-37 items in the notice, any statement required to be included in the  
 1-38 proposed budget under Section 102.005(b) or (b-1).  
 1-39 SECTION 4. Section 102.0065(d), Local Government Code, is  
 1-40 amended to read as follows:  
 1-41 (d) Notice under this section must include, in type of a  
 1-42 size at least equal to the type used for other items in the notice,  
 1-43 any statement required to be included in the proposed budget under  
 1-44 Section 102.005(b) or (b-1).  
 1-45 SECTION 5. Section 102.007, Local Government Code, is  
 1-46 amended by adding Subsection (c-1) and amending Subsection (d) to  
 1-47 read as follows:  
 1-48 (c-1) Adoption of a budget that includes estimated revenue  
 1-49 from a new fee or the increase of an existing fee requires a  
 1-50 separate vote of the governing body to ratify the use of that  
 1-51 revenue. A vote under this subsection is in addition to and  
 1-52 separate from the vote to adopt the budget or a vote to adopt or  
 1-53 increase the fee.  
 1-54 (d) An adopted budget must contain a cover page that  
 1-55 includes:  
 1-56 (1) one of the following statements in 18-point or  
 1-57 larger type that accurately describes the adopted budget:  
 1-58 (A) "This budget will raise more revenue from  
 1-59 property taxes than last year's budget by an amount of (insert total  
 1-60 dollar amount of increase), which is a (insert percentage increase)  
 1-61 percent increase from last year's budget. The property tax revenue

2-1 to be raised from new property added to the tax roll this year is  
 2-2 (insert amount computed by multiplying the proposed tax rate by the  
 2-3 value of new property added to the roll).";

2-4 (B) "This budget will raise less revenue from  
 2-5 property taxes than last year's budget by an amount of (insert total  
 2-6 dollar amount of decrease), which is a (insert percentage decrease)  
 2-7 percent decrease from last year's budget. The property tax revenue  
 2-8 to be raised from new property added to the tax roll this year is  
 2-9 (insert amount computed by multiplying the proposed tax rate by the  
 2-10 value of new property added to the roll)."; or

2-11 (C) "This budget will raise the same amount of  
 2-12 revenue from property taxes as last year's budget. The property  
 2-13 tax revenue to be raised from new property added to the tax roll  
 2-14 this year is (insert amount computed by multiplying the proposed  
 2-15 tax rate by the value of new property added to the roll).";

2-16 (2) if applicable, the following statement in 18-point  
 2-17 or larger type: "This budget includes estimated revenue from the  
 2-18 following new or increased fees: (include a description of each new  
 2-19 or increased fee, the dollar amount of each new fee, and the dollar  
 2-20 amount of and percentage of increase of each increased fee).";

2-21 (3) the record vote of each member of the governing  
 2-22 body by name voting on the adoption of the budget;

2-23 (4) [~~3~~] the municipal property tax rates for the  
 2-24 preceding fiscal year, and each municipal property tax rate that  
 2-25 has been adopted or calculated for the current fiscal year,  
 2-26 including:

- 2-27 (A) the property tax rate;
- 2-28 (B) the effective tax rate;
- 2-29 (C) the effective maintenance and operations tax
- 2-30 rate;
- 2-31 (D) the rollback tax rate; and
- 2-32 (E) the debt rate; and

2-33 (5) [~~4~~] the total amount of municipal debt  
 2-34 obligations.

2-35 SECTION 6. Section 102.008, Local Government Code, is  
 2-36 amended to read as follows:

2-37 Sec. 102.008. APPROVED BUDGET FILED WITH MUNICIPAL  
 2-38 CLERK: POSTING ON INTERNET. (a) On final approval of the budget  
 2-39 by the governing body of the municipality, the governing body  
 2-40 shall:

- 2-41 (1) file the budget with the municipal clerk; and
- 2-42 (2) if the municipality maintains an Internet website,  
 2-43 take action to ensure that:

2-44 (A) a copy of the budget, including the cover  
 2-45 page, is posted on the website; and

2-46 (B) the record vote described by Section  
 2-47 102.007(d)(3) [~~102.007(d)(2)]~~ is posted on the website at least  
 2-48 until the first anniversary of the date the budget is adopted.

2-49 (b) The governing body shall take action to ensure that the  
 2-50 cover page of the budget is amended to include the property tax  
 2-51 rates required by Section 102.007(d)(4) [~~102.007(d)(3)]~~ for the  
 2-52 current fiscal year if the rates are not included on the cover page  
 2-53 when the budget is filed with the municipal clerk. The governing  
 2-54 body shall file an amended cover page with the municipal clerk and  
 2-55 take action to ensure that the amended cover page is posted on the  
 2-56 municipality's website.

2-57 SECTION 7. Subtitle A, Title 4, Local Government Code, is  
 2-58 amended by adding Chapter 109 to read as follows:

2-59 CHAPTER 109. NOTIFICATION OF NEW OR INCREASED MUNICIPAL FEES

2-60 Sec. 109.001. DEFINITION. In this chapter, "fee" means any  
 2-61 fee, charge, assessment, or similar payment required by a  
 2-62 municipality for a privilege, service, authorization, permit,  
 2-63 license, registration, certification, filing, or other municipal  
 2-64 action or approval.

2-65 Sec. 109.002. E-MAIL NOTIFICATION SERVICE IN CERTAIN  
 2-66 MUNICIPALITIES. (a) This section does not apply to a municipality  
 2-67 located primarily in a county with a population of less than 30,000.

2-68 (b) Except as provided by Subsection (c), each municipality  
 2-69 shall establish and maintain an e-mail notification service to

3-1 which any person may electronically subscribe to receive  
3-2 information regarding new or increased municipal fees.

3-3 (c) A municipality that does not maintain an e-mail  
3-4 notification service for any purpose on January 1, 2019, may post  
3-5 the notifications described by Subsection (d)(1) on the Internet  
3-6 website of the municipality that are accessible from a prominently  
3-7 displayed link on the home page of that website instead of  
3-8 establishing an e-mail notification service as prescribed by this  
3-9 section.

3-10 (d) The e-mail notification service must:

3-11 (1) allow a subscriber to request notification of  
3-12 each:

3-13 (A) new fee proposed to be adopted by the  
3-14 municipality;

3-15 (B) existing fee proposed to be increased by the  
3-16 municipality;

3-17 (C) proposed budget of the municipality that  
3-18 includes use of revenue from a fee described by Paragraph (A) or  
3-19 (B);

3-20 (D) adopted budget of the municipality that  
3-21 includes use of revenue from a fee described by Paragraph (A) or  
3-22 (B); or

3-23 (E) public hearing scheduled to be held at which  
3-24 a fee or budget described by Paragraphs (A)-(D) is scheduled to be  
3-25 discussed;

3-26 (2) include a link in the notification to any web page  
3-27 maintained by the municipality on which the fee or budget may be  
3-28 viewed; and

3-29 (3) notify the subscriber by e-mail not later than the  
3-30 day:

3-31 (A) the municipality provides public notice of a  
3-32 public hearing at which a proposed new or increased fee or a  
3-33 proposed budget is scheduled to be discussed, for notification of a  
3-34 public hearing for a proposed fee or budget;

3-35 (B) the budget officer files a proposed budget  
3-36 with the municipal clerk as required by Section 102.005, for  
3-37 notification of a proposed budget; or

3-38 (C) the governing body files an adopted budget  
3-39 with the municipal clerk as required by Section 102.008, for  
3-40 notification of an adopted budget.

3-41 SECTION 8. Sections 102.005, 102.006, 102.0065, 102.007,  
3-42 and 102.008, Local Government Code, as amended by this Act, apply  
3-43 only to a proposed or adopted budget for a fiscal year beginning on  
3-44 or after January 1, 2020.

3-45 SECTION 9. This Act takes effect September 1, 2019.

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