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| BILL ANALYSIS |

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| C.S.S.B. 767 |
| By: Parker |
| Urban Affairs |
| Committee Report (Substituted) |

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| **BACKGROUND AND PURPOSE** Municipalities rely heavily on fees to fund various services and operations, such as trash collection, parking, and permits. However, these fees can have a significant impact on residents and businesses, and it is crucial that they are aware of any changes in fees that may affect them. Without transparency, citizens may be blindsided by unexpected fees, leading to financial hardship or frustration with local government. Moreover, lack of transparency can erode trust in local government and undermine its accountability to citizens. Thus, it is vital for municipalities to be transparent about any new or increased fees, including providing ample notice and clear explanations of why the fees are necessary and how they will be used. C.S.S.B. 767 seeks to address this issue by amending current law relating to notice requirements for certain municipal fees and the process to adopt a municipal budget that includes the use of revenue from those fees. |
| **CRIMINAL JUSTICE IMPACT**It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **RULEMAKING AUTHORITY** It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution. |
| **ANALYSIS** C.S.S.B. 767 amends the Local Government Code to require a municipality with a population of 30,000 or more to establish and maintain an email notification service to which any person may electronically subscribe to receive information regarding new or increased municipal fees, defined by the bill as any fee, charge, assessment, or similar payment required by a municipality for a privilege, service, authorization, permit, license, registration, certification, filing, or other municipal action or approval. The bill requires the email notification service to allow a subscriber to request notification of the following matters:* each new fee proposed to be adopted by the municipality;
* each existing fee proposed to be increased by the municipality;
* each proposed or adopted municipal budget that includes use of revenue from such fees; or
* each public hearing scheduled to be held at which such fees or such budgets are scheduled to be discussed.

The email notification service must also include a link in the notification to any web page maintained by the municipality on which the fee or budget may be viewed and notify the subscriber by email not later than the second day after the date the municipality provides public notice of an applicable public hearing, the municipality's budget officer files a proposed budget with the municipal clerk, or the municipality's governing body files an adopted budget with the municipal clerk, for the applicable notifications. The bill requires such a municipality that does not maintain an email notification service for any purpose on January 1, 2023, to post the applicable notifications on the municipality's website that are accessible from a prominently displayed link on the home page of that website instead of establishing the prescribed email notification service. The bill requires the municipality's governing body to designate an individual in the city manager's, city secretary's, or city budget director's office who can provide a comprehensive list of municipal fees to a person on request.C.S.S.B. 767 requires a proposed municipal budget for a municipality with a population of 30,000 or more filed with the municipal clerk that includes estimated revenue from a new fee or the increase of an existing fee to contain a cover page with a specified underlined or boldfaced type statement regarding the inclusion of estimated revenue from such a fee or increased fee and requires the cover page of an adopted municipal budget to include that same statement and the exact Internet location or URL address on a website maintained by the municipality at which a list of each new or increased fee is available, if applicable. The bill also requires such a statement to be included in the notice published by the municipality's governing body before a public hearing relating to a proposed budget and in a notice by publication in a newspaper for a budget hearing and authorizes the governing body of a municipality to include in the latter notice the exact Internet location or URL address of the location on a website maintained by the municipality where the information required to be included in the statement may be viewed instead of publishing that information in the notice. The bill establishes that the adoption of an applicable municipal budget that includes estimated revenue from a new fee or the increase of an existing fee requires a separate vote of the governing body to ratify the use of the total amount of the revenue from all new or increased fees and that such a vote is in addition to and separate from the vote to adopt the budget or a vote to adopt or increase the fee. The bill revises the required format of other statements required to be included on a cover page of an adopted budget to align with the underlined or boldfaced type format of the statement required by the bill's provisions. These provisions apply only to a proposed or adopted budget for a fiscal year beginning on or after January 1, 2024.  |
| **EFFECTIVE DATE** September 1, 2023. |
| **COMPARISON OF SENATE ENGROSSED AND SUBSTITUTE**While C.S.S.B. 767 may differ from the engrossed in minor or nonsubstantive ways, the following summarizes the substantial differences between the engrossed and committee substitute versions of the bill.The substitute limits applicability of the bill's provisions to a municipality with a population of 30,000 or more, whereas the engrossed did not limit the applicability. |
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