

By: Troxclair

H.B. No. 175

A BILL TO BE ENTITLED

AN ACT

relating to municipal and county financial requirements.

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

SECTION 1. Chapter 140, Local Government Code, is amended by adding Sections 140.014 and 140.015 to read as follows:

Sec. 140.014. LIMIT ON ANNUAL EXPENDITURES. (a) In this section:

(1) "Board" means the Legislative Budget Board.

(2) "Consumer price index" means the average over a calendar year of the index the board considers to most accurately report changes in the purchasing power of the dollar for consumers in this state.

(3) "Inflation rate" means the amount, expressed in decimal form rounded to the nearest thousandth, computed by determining the percentage change in the consumer price index for the preceding calendar year as compared to the consumer price index for the calendar year preceding that calendar year.

(4) "Population growth rate" means the rate of growth of the state's population during the preceding calendar year, expressed in decimal form rounded to the nearest thousandth, determined by the board in accordance with the most recent population estimates published by the United States Census Bureau.

(b) This section applies only to a political subdivision that is a municipality or county.

1       (c) Except as provided by Subsection (e) and subject to  
2 Subsection (f), a political subdivision's total expenditures from  
3 all available sources of revenue in a fiscal year may not exceed the  
4 greater of:

5           (1) the political subdivision's total expenditures  
6 from all available sources of revenue in the preceding fiscal year;  
7 or

8           (2) an amount determined by multiplying:

9                   (A) the political subdivision's total  
10 expenditures from all available sources of revenue in the preceding  
11 fiscal year; and

12                   (B) the sum of one and the rate most recently  
13 published by the board under Subsection (d).

14       (d) Not later than January 31 of each year, the board shall  
15 publish a rate equal to the sum of the population growth rate and  
16 the inflation rate.

17       (e) A political subdivision's total expenditures from all  
18 available sources of local revenue in a fiscal year may exceed the  
19 amount described by Subsection (c) if:

20           (1) the political subdivision's voters approve the  
21 additional expenditures for that fiscal year at an election called  
22 for that purpose and held on a uniform election date; or

23           (2) the governor declares or renews a declaration of a  
24 state of disaster under Section 418.014, Government Code, in that  
25 fiscal year, and the governor's designation of the area threatened  
26 includes all or part of the geographic territory of the political  
27 subdivision.

1       (f) The amount by which a political subdivision's total  
2 expenditures from all available sources of revenue in a fiscal year  
3 may exceed the amount described by Subsection (c) under Subsection  
4 (e)(2) may not exceed an amount equal to the actual costs incurred  
5 by the political subdivision as a result of the declared disaster  
6 described by Subsection (e)(2).

7       (g) For purposes of this section, the following are not  
8 considered an available source of revenue:

9               (1) money received from the issuance of bonds approved  
10 by the voters; or

11               (2) a grant, donation, or gift.

12       Sec. 140.015. TAXPAYER'S BUDGET SUMMARY. (a) This section  
13 applies only to a political subdivision that is a municipality or  
14 county.

15       (b) Not later than the 20th day after the date the governing  
16 body of a political subdivision adopts a budget for the fiscal year,  
17 the political subdivision shall post on the political subdivision's  
18 Internet website, if the political subdivision maintains a website,  
19 or make publicly available if the political subdivision does not  
20 maintain an Internet website a summary of the adopted budget that  
21 includes:

22               (1) the total amount of the budget adopted for that  
23 fiscal year;

24               (2) the amount budgeted for the fiscal year in each of  
25 the following categories:

26                       (A) general government;

27                       (B) public health;

1                   (C) public safety;

2                   (D) parks and recreation;

3                   (E) business and economic development;

4                   (F) transportation;

5                   (G) debt service;

6                   (H) capital improvements; and

7                   (I) other expenditures; and

8           (3) a taxpayer impact statement that:

9                   (A) lists the name of each fee and property tax,  
10 as applicable, imposed by the governmental body on a typical  
11 residential ratepayer;

12                  (B) states the amount of each fee or tax listed in  
13 Paragraph (A) for a typical residential ratepayer for:

14                   (i) the fiscal year preceding the year  
15 applicable to the proposed budget; and

16                   (ii) the fiscal year applicable to the  
17 proposed budget;

18                  (C) states the difference in the amounts stated  
19 in Paragraphs (B)(i) and (B)(ii) for each fee or tax listed in  
20 Paragraph (A);

21                  (D) briefly defines a typical residential  
22 ratepayer for each fee and property tax listed in Paragraph (A);

23                  (E) includes an aggregated total for the amounts  
24 stated in Paragraphs (B)(i), (B)(ii), and (C), stated separately;  
25 and

26                  (F) includes aggregate amounts for each fee,  
27 property tax, or other source of revenue, broken down by the revenue

1 type that will be used to fund expenditures in the proposed and  
2 adopted budget.

3 (c) Not later than the 20th day before the date the  
4 governing body of a political subdivision holds a public hearing on  
5 the adoption of a budget for the upcoming fiscal year, the political  
6 subdivision shall post on the political subdivision's Internet  
7 website, if the political subdivision maintains a website, or make  
8 publicly available if the political subdivision does not maintain  
9 an Internet website a summary of the proposed budget that includes  
10 for each category described by Subsection (b), in a manner that  
11 allows comparison of the amounts across categories:

12 (1) the budgeted amount for the preceding fiscal year;  
13 and

14 (2) the proposed amount for the upcoming fiscal year.

15 (d) A summary prepared under this section:

16 (1) must include a total budget amount that is equal to  
17 the sum of the budget amounts provided for each category; and

18 (2) may not include an expenditure in more than one  
19 budget category.

20 SECTION 2. Sections 140.014 and 140.015, Local Government  
21 Code, as added by this Act, apply only to a fiscal year of a  
22 municipality or county that begins on or after December 1, 2025.

23 SECTION 3. This Act takes effect on the 91st day after the  
24 last day of the legislative session.