

BILL ANALYSIS

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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas law allows municipalities to set fee amounts for permits, licenses, and services. Many cities raise revenue by increasing existing or imposing new fees through the budgeting process. In recent years, some cities across Texas have seen increased municipal fees at an alarming rate, providing those who must pay the fees little to no notice. It is not uncommon for a city's proposed fee schedule to be buried within the city budget, making it difficult to find relevant information regarding fee increases, therefore making it difficult for impacted persons to raise their concerns with elected officials.

Current law requires uniform placement in a city's proposed and adopted budget of clear and uniform descriptions on proposed property tax increases, and requires separate votes to be held by the council to uphold these increases. Similar requirements for new and increased municipal fees would provide more transparency and provide more time to discuss these fees with elected officials and staff.

This language amends current law relating to certain notice requirements that must be followed by cities when reviewing and approving each fiscal year's budget, similar to that of a property tax increase. This language also implements additional notification options for residents, allowing subscribers to receive electronic notification of proposed or increased fees during and outside of a city's budgeting period, ensuring the public receives a timely notification.

Supporters of this language are the Hotel and Lodging Association, Texas Apartment Association, National Federation of Independent Business, and Texas Association of Builders.

As proposed, S.B. 737 amends current law relating to requirements for new or increased municipal fees.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 102, Local Government Code, by adding Section 102.0001, as follows:

Sec. 102.0001. DEFINITION. Defines "fee."

SECTION 2. Amends Section 102.005, Local Government Code, by adding Subsection (b-1), as follows:

(b-1) Requires a proposed budget that includes estimated revenue from a new fee or the increase of an existing fee to contain a cover page with a certain statement in 18-point or larger type. Sets forth the language of the statement.

SECTION 3. Amends Section 102.006(c), Local Government Code, to include Section 102.005(b-1) under which any statement required to be included in the proposed budget applies, for the required public notice.

SECTION 4. Amends Section 102.0065(d), Local Government Code, to make a conforming change.

SECTION 5. Amends Section 102.007, Local Government Code, by adding Subsection (c-1) and amending Subsection (d), as follows:

(c-1) Provides that adoption of a budget that includes estimated revenue from a new fee or the increase of an existing fee requires a separate vote of the governing body of the municipality to ratify the use of that revenue. Provides that a vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to adopt or increase the fee.

(d) Includes a certain statement in 18-point or larger type, if applicable, in the list of requirements to be contained on a cover page of an adopted budget. Sets forth the language of the statement. Redesignates existing Subsections (2), (3), and (4) as Subsections (3), (4), and (5) and makes no further changes to these subdivisions.

SECTION 6. Amends Section 102.008, Local Government Code, as follows:

Sec. 102.008. APPROVED BUDGET FILED WITH MUNICIPAL CLERK; POSTING ON INTERNET. (a) Requires the governing body of the municipality, on final approval of the budget, to, if the municipality maintains a website, ensure that the record vote described by Section 102.007(d)(3), rather than Section 102.007(d)(2), is posted on the website by a certain time.

(b) Requires the governing body to ensure that the cover page of the budget is amended to include the property tax rates required by Section 102.007(d)(4), rather than Section 102.007(d)(3).

SECTION 7. Amends Subtitle A, Title 4, Local Government Code, by adding Chapter 109, as follows:

CHAPTER 109. NOTIFICATION OF NEW OR INCREASED MUNICIPAL FEES

Sec. 109.001. DEFINITION. Defines "fee."

Sec. 109.002. E-MAIL NOTIFICATION SERVICE. (a) Requires each municipality to establish and maintain an e-mail notification service to which any person may electronically subscribe to receive information regarding new or increased municipal fees.

(b) Requires the e-mail notification service to allow a subscriber to request notification of certain information relating to the budget and fee alterations, to include a link in the notification to any web page maintained by the municipality on which the fee or budget may be viewed, and to notify the subscriber by e-mail not later than the day certain municipal information is filed.

SECTION 8. Makes application of this Act prospective to January 1, 2018.

SECTION 9. Effective date: September 1, 2017.