

BILL ANALYSIS

Senate Research Center
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S.B. 849
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Cities have the authority to establish fees for permits, licenses, and services. Many cities increase existing fees or impose new fees through the city's budgeting process. In many cases, little advance notice is provided to parties who must pay those fees. Current law requires cities to include cover pages on proposed budgets, filed 30 days before adoption, with information on any increase in property taxes to raise revenue. Currently, there are no such notification requirements for any increases in existing fees or creation of new fees.

S.B. 849 provides more transparency for the public by requiring additional information on the budget cover page specifically related to new or increased fees. It requires a separate vote by the city council to approve the use of the revenue raised by the new or increased fees, and to hold hearings 30–60 days before any new fees are adopted outside of the regular budget process. S.B. 849 also allows interested parties to register to receive information about proposed new or increased fees from the city. It would create an e-mail notification system similar to how state agencies notify affected persons about proposed regulatory changes. Rural cities with a population of 30,000 or less are exempted. The e-mail notification will help enable the public stay updated of changes in fees both during and outside of a city's normal budgeting process.

As proposed, S.B. 849 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" for purpose of this chapter.

SECTION 2. Amends Section 102.005, Local Government Code, by adding Subsection (b-1) to require 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 and sets forth the required language of the statement.

SECTION 3. Amends Section 102.006(c), Local Government Code, to require the public notice of the date, time, and location of the hearing to include any statement required to be included in the proposed budget under Section 102.005(b) or (b-1) in type of a certain size.

SECTION 4. Amends Section 102.0065(d), Local Government Code, to require a notice under this section to include any statement required to be included in the proposed budget under Section 102.005(b) or (b-1) in type of a certain size.

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

(c-1) Establishes 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 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) Requires an adopted budget to contain a cover page that includes:

- (1) makes no changes to this subdivision;
- (2) if applicable, a certain specified statement in 18-point or larger type;
- (3) creates this subdivision from existing text and redesignates the following subdivisions accordingly;
- (4)–(5) makes no further changes to these subdivisions.

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

Sec. 102.008. APPROVED BUDGET FILED WITH MUNICIPAL CLERK: POSTING ON INTERNET. (a) Requires a governing body, on final approval of the budget by the governing body of a municipality, to:

- (1) makes no changes to this subdivision; and
- (2) if the municipality maintains an Internet website, take action to ensure that:
 - (A) makes no changes to this paragraph; and
 - (B) the record vote described by Section 102.007(d)(3), rather than Section 102.007(d)(2), is posted on the website at least until the first anniversary of the date the budget is adopted.

(b) Requires the governing body to take action 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), for the current fiscal year if the rates are not included on the cover page when the budget is filed with the municipal clerk.

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 IN CERTAIN MUNICIPALITIES.

(a) Provides that this section does not apply to a municipality located primarily in a county with a population of less than 30,000.

(b) Requires each municipality, except as provided by Subsection (c), 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.

(c) Authorizes a municipality that does not maintain an e-mail notification service for any purpose on January 1, 2019, to post the notifications described by Subsection (d)(1) on the Internet website of the municipality that are accessible

from a prominently displayed link on the home page of that website instead of establishing an e-mail notification service as prescribed by this section.

(d) Requires the e-mail notification service to:

(1) allow a subscriber to request notification of each:

(A) new fee proposed to be adopted by the municipality;

(B) existing fee proposed to be increased by the municipality;

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

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

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

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

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

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

(B) the budget officer files a proposed budget with the municipal clerk as required by Section 102.005 (Proposed Budget Filed by Municipal Clerk; Public Inspection), for notification of a proposed budget; or

(C) the governing body files an adopted budget with the municipal clerk as required by Section 102.008 (Approved Budget Filed with Municipal Clerk, Posting on Internet), for notification of an adopted budget.

SECTION 8. Makes application of Sections 102.005, 102.006, 102.0065, 102.007, and 102.008, Local Government Code, as amended by this Act, prospective to January 1, 2020.

SECTION 9. Effective date: September 1, 2019.