

SUBJECT: Requiring municipalities to establish a notification system for fee changes

COMMITTEE: Urban Affairs — committee substitute recommended

VOTE: 8 ayes — Lozano, Bernal, Cortez, Cunningham, J. González, Hayes, Romero, Tepper

0 nays

1 absent — Gates

SENATE VOTE: On final passage (April 12) — 30 - 0

WITNESSES: For — Crystal Moya, Texas Apartment Association; Caroline Welton, Texas Public Policy Foundation (*Registered, but did not testify*: Annie Spilman, NFIB; Ned Muñoz, Texas Association of Builders; Wade Long, Texas Manufactured Housing Association; Seth Juergens, Texas REALTORS; Kelsey Streufert, Texas Restaurant Association)

Against — (*Registered, but did not testify*: Guadalupe Cuellar, City of El Paso; TJ Patterson, City of Fort Worth; Jon Weist, City of Irving; Bill Kelly, Mayor’s Office, City of Houston)

BACKGROUND: Some have suggested that greater transparency from municipalities regarding adjustments in local fees could help give residents and businesses greater awareness of changes that may impact them.

DIGEST: SB 767 would require a municipality with a population of at least 30,000 to establish and maintain an e-mail notification service to which any person could electronically subscribe to receive information regarding new or increased municipal fees. A municipality that did not maintain an e-mail notification service on January 1, 2023, would be required to post such notifications on the municipality's website that were accessible from a prominently displayed link on the website's home page instead of establishing an e-mail notification service.

The e-mail notification service would have to allow a subscriber to request notification of each:

- new fee proposed to be adopted by the municipality;
- existing fee proposed to be increased by the municipality;
- proposed or adopted budget of the municipality that included use of revenue from such fees; or
- public hearing scheduled to be held at which such a fee or budget was scheduled to be discussed.

The e-mail notification service also would be required to include a link in the notification to any web page maintained by the municipality on which the fee or budget could be viewed and would have to notify the subscriber by e-mail by the second day after the date in which:

- the municipality provided public notice of a public hearing at which a proposed new or increased fee or proposed budget was scheduled to be discussed;
- the budget officer filed a proposed budget with the municipal clerk; or
- the governing body filed an adopted budget with the municipal clerk.

The bill would require a municipality's governing body to designate an individual in the city manager's, secretary's, or budget director's office who could provide a comprehensive list of municipal fees to a person on request.

The bill would require a proposed budget for a municipality with a population of at least 30,000 that included estimated revenue from a new or increased fee to contain a cover page that included a statement regarding the inclusion of estimated revenue from new or increased fees and a description of the fee, the dollar amount of each new fee, and the dollar amount and percentage of increase of each existing fee, if applicable. Instead of publishing the fee information in the notice, the governing body could include in the notice the exact URL address of the

location on a website maintained by the municipality where the required information could be viewed.

The adoption of a budget for a municipality with a population of at least 30,000 that included estimated revenue from a new or increased fee would require a separate vote of the governing body to ratify the use of the total amount of the revenue from all new or increased fees. Such a vote would be in addition to and separate from the vote to adopt the budget or a vote to adopt or increase the fee.

The bill would take effect September 1, 2023, and would apply only to a proposed or adopted budget for a fiscal year beginning on or after January 1, 2024.