

BILL ANALYSIS

C.S.H.B. 984
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Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been noted that municipalities have the authority to establish fees for certain permits, licenses, and services, which are an important source of revenue. There are concerns, however, that these permit and license holders and the recipients of these services often receive insufficient notice regarding an impending fee increase or the potential for such an increase during the municipal budgeting process. It has been suggested that current notification methods impede the ability of citizens to fully participate in this process. C.S.H.B. 984 seeks to address this issue by providing notification requirements for new or increased municipal 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.H.B. 984 amends the Local Government Code to require each municipality, other than a municipality located primarily in a county with a population of less than 30,000, 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 specified link and notify the subscriber by email not later than the day the municipality, the municipality's budget officer, or the municipality's governing body takes certain actions. The bill authorizes a municipality that does not maintain an email notification service for any purpose on January 1, 2019, 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.

C.S.H.B. 984 requires a proposed municipal budget 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 statement regarding that fee and requires the cover page of an adopted municipal budget to include that same statement if applicable. The adoption of a 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. The bill establishes 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.

C.S.H.B. 984 makes certain of its provisions regarding municipal budgets applicable only to a proposed or adopted budget for a fiscal year beginning on or after January 1, 2020.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 984 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the caption to include certain reference to the municipal budget process.

The substitute, with respect to a provision establishing that the adoption of a 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 that revenue, specifies that revenue as the total amount of the revenue from all new or increased fees.