

BILL ANALYSIS

Senate Research Center
83R324 TJB-D

S.B. 656
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Open Government
3/5/2013
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 3195, 80th Legislature, Regular Session, 2007, requires a county or municipality to list on the cover page of its respective proposed budget whether the proposed budget would increase the total property tax levy and to post the proposed budget on its website if the political subdivision maintains a website. The legislation also requires a county or municipality to have a separate vote by which the budget is adopted and the property tax rate is adopted by the governing body.

S.B. 656 requires municipalities and counties to print a cover page for their respective adopted budgets listing a summary of the property tax information and the record votes by which the budget and tax rate were adopted.

As proposed, S.B. 656 amends current law relating to providing transparency in the taxing and budgeting process of certain local governments.

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 Section 102.007, Local Government Code, by amending Subsections (a) and (c) and adding Subsection (d), as follows:

- (a) Requires that a vote by the governing body of a municipality required to act on a proposed budget at the conclusion of a public hearing to adopt the budget be a record vote.
- (c) Requires a separate record vote of the governing body to ratify the property tax increase reflected in the budget, if the adoption of a budget will require raising more revenue from property taxes than the previous year. Provides that a record vote under this subsection is in addition to and separate from the record vote to adopt the budget or a record vote to set the tax rate required by Chapter 26 (Assessment), Tax Code, or other law.
- (d) Requires that an adopted budget that will require raising more revenue from property taxes than in the previous year contain a cover page that includes:
 - (1) certain required language in a certain format to be used on the cover sheet relating to the amount of increased revenue from property taxes;
 - (2) the record vote of each member of the governing body by name voting on the adoption of the budget; the ratification of the property tax increase under Subsection (c), if the vote has been taken; and the setting of the property tax rate for the current fiscal year, if the vote has been taken;

(3) the municipal property tax rates for the preceding and current fiscal years, including the adopted property tax rate, the effective tax rate, the effective maintenance and operations tax rate, the rollback tax rate, and the debt rate; and

(4) the total amount of bonds and other debt obligations owed by the municipality.

SECTION 2. Amends Section 102.008, Local Government Code, as follows:

Sec. 102.008. APPROVED BUDGET FILED WITH MUNICIPAL CLERK; POSTING ON INTERNET. (a) Creates this subsection from existing text. Requires the governing body of the municipality to, on final approval of the budget, file the budget with the municipal clerk and, if the municipality maintains an Internet website, take action to ensure that a copy of the budget including any required cover page, is posted on the website. Requires that the record votes described by this section and Section 102.007(d)(2) be 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 record vote of each member of the governing body by name following a vote on the ratification of the property tax increase under Section 102.007(c), if the information is not included on the cover page, and the setting of the property tax rate for the current fiscal year, if the information is not included on the cover page.

SECTION 3. Amends Section 111.008, Local Government Code, by amending Subsections (a) and (c) and adding Subsection (d), as follows:

(a) Requires that a vote by the commissioners court to adopt the budget be a record vote.

(c) Requires a separate record vote of the commissioners court to ratify the property tax increase reflected in the budget, if the adoption of a budget will require raising more revenue from property taxes than the previous year. Provides that a record vote under this subsection is in addition to and separate from the record vote to adopt the budget or a record vote to set the tax rate required by Chapter 26, Tax Code, or other law.

(d) Requires that an adopted budget that will require raising more revenue from property taxes than in the previous year contain a cover page that includes:

(1) certain required language in a certain format to be used on the cover sheet relating to the amount of increased revenue from property taxes;

(2) the record vote of each member of the commissioners court by name voting on the adoption of the budget; the ratification of the property tax increase under Subsection (c), if the vote has been taken; and the setting of the property tax rate for the current fiscal year, if the vote has been taken;

(3) the county property tax rates for the preceding and current fiscal years, including the adopted property tax rate, the effective tax rate, the effective maintenance and operations tax rate, the rollback tax rate, and the debt rate; and

(4) the total amount of bonds and other debt obligations owed by the county.

SECTION 4. Amends Section 111.009, Local Government Code, as follows:

Sec. 111.009. APPROVED BUDGET FILED WITH COUNTY CLERK: POSTING ON INTERNET. (a) Creates this subsection from existing text. Requires the commissioners court to, on final approval of the budget, file the budget with the county clerk and, if the county maintains an Internet website, take action to ensure that a copy of the budget, including any required cover page, is posted on the website, and the record votes

described by this section and Section 111.008(d)(2) are posted on the website at least until the first anniversary of the date the budget is adopted.

(b) Requires the commissioners court to take action to ensure that the cover page of the budget is amended to include the record vote of each member of the commissioners court by name following a vote on the ratification of the property tax increase under Section 111.008(c), if the information is not included on the cover page, and the setting of the property tax rate for the current fiscal year, if the information is not included on the cover page.

SECTION 5. Amends Section 111.039, Local Government Code, by amending Subsections (a) and (c) and adding Subsection (d), as follows:

(a) Requires that a vote taken at the conclusion of a public hearing to adopt the budget be a record vote.

(c) Requires a separate record vote of the commissioners court to ratify the property tax increase reflected in the budget, if the adoption of a budget will require raising more revenue from property taxes than the previous year. Provides that a record vote under this subsection is in addition to and separate from the record vote to adopt the budget or a record vote to set the tax rate required by Chapter 26, Tax Code, or other law.

(d) Requires that an adopted budget that will require raising more revenue from property taxes than in the previous year contain a cover page that includes:

(1) certain required language in a certain format to be used on the cover sheet relating to the amount of increased revenue from property taxes;

(2) the record vote of each member of the commissioners court by name voting on the adoption of the budget; the ratification of the property tax increase under Subsection (c), if the vote has been taken; and the setting of the property tax rate for the current fiscal year, if the vote has been taken;

(3) the county property tax rates for the preceding and current fiscal years, including the adopted property tax rate, the effective tax rate, the effective maintenance and operations tax rate, the rollback tax rate, and the debt rate; and

(4) the total amount of bonds and other debt obligations owed by the county.

SECTION 6. Amends Section 111.040, Local Government Code, as follows:

Sec. 111.040. APPROVED BUDGET FILED WITH OFFICERS: POSTING ON INTERNET. (a) Creates this subsection from existing text. Requires the commissioners court to, on final approval of the budget, file the budget with the county auditor and the county clerk and, if the county maintains an Internet website, take action to ensure that a copy of the budget, including any required cover page, is posted on the website, and the record votes described by this section and Section 111.039(d)(2) are posted on the website at least until the first anniversary of the date the budget is adopted.

(b) Requires the commissioners court to take action to ensure that the cover page of the budget is amended to include the record vote of each member of the commissioners court by name following a vote on the ratification of the property tax increase under Section 111.039(c), if the information is not included on the cover page, and the setting of the property tax rate for the current fiscal year, if the information is not included on the cover page.

SECTION 7. Amends Section 111.068, Local Government Code, by amending Subsection (a) and adding Subsections (c) and (d), as follows:

(a) Requires that a vote at the end of a public hearing to adopt the budget be a record vote.

(c) Requires a separate record vote of the commissioners court to ratify the property tax increase reflected in the budget, if the adoption of a budget will require raising more revenue from property taxes than the previous year. Provides that a record vote under this subsection is in addition to and separate from the record vote to adopt the budget or a record vote to set the tax rate required by Chapter 26, Tax Code, or other law.

(d) Requires that an adopted budget that will require raising more revenue from property taxes than in the previous year contain a cover page that includes:

(1) certain required language in a certain format to be used on the cover sheet relating to the amount of increased revenue from property taxes;

(2) the record vote of each member of the commissioners court by name voting on the adoption of the budget; the ratification of the property tax increase under Subsection (c), if the vote has been taken; and the setting of the property tax rate for the current fiscal year, if the vote has been taken;

(3) the county property tax rates for the preceding and current fiscal years, including the adopted property tax rate, the effective tax rate, the effective maintenance and operations tax rate, the rollback tax rate, and the debt rate; and

(4) the total amount of bonds and other debt obligations owed by the county.

SECTION 8. Amends Section 111.069, Local Government Code, as follows:

Sec. 111.069. APPROVED BUDGET FILED WITH OFFICERS: POSTING ON INTERNET. (a) Creates this subsection from existing text. Requires the commissioners court to, on final approval of the budget, file a copy of the budget with the county auditor and the county clerk and, if the county maintains an Internet website, take action to ensure that a copy of the budget, including any required cover page, is posted on the website, and the record votes described by this section and Section 111.068(d)(2) are posted on the website at least until the first anniversary of the date the budget is adopted.

(b) Requires the commissioners court to take action to ensure that the cover page of the budget is amended to include the record vote of each member of the commissioners court by name following a vote on the ratification of the property tax increase under Section 111.068(c), if the information is not included on the cover page, and the setting of the property tax rate for the current fiscal year, if the information is not included on the cover page.

SECTION 9. Amends Section 26.05(b), Tax Code, to require that the vote on the ordinance, resolution, or order setting a tax rate, rather than setting a tax rate that exceeds the effective tax rate, be a record vote.

SECTION 10. Makes application of this Act prospective.

SECTION 11. Effective date: September 1, 2013.