

By: Estes, et al.

S.B. No. 18

A BILL TO BE ENTITLED

AN ACT

relating to a limit on local government expenditures.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 140, Local Government Code, is amended by adding Section 140.012 to read as follows:

Sec. 140.012. LIMIT ON ANNUAL EXPENDITURES. (a) In this section, "local government" means a municipality or county.

(b) Except as provided by Subsection (d), a local government's total expenditures from all available sources of revenue in a fiscal year may not exceed the greater of:

(1) the local government's total expenditures from all available sources of revenue in the preceding fiscal year; or

(2) an amount determined by multiplying:

(A) the local government's total expenditures from all available sources of revenue in the preceding fiscal year; and

(B) the sum of one and the rate most recently published by the Legislative Budget Board under Subsection (c).

(c) Not later than January 31 of each year, the staff of the Legislative Budget Board shall publish a rate equal to the product of:

(1) the rate of growth of this state's population during the preceding calendar year, using the most recent estimates published by the United States Census Bureau; and

1 (2) the rate of monetary inflation in this state
2 during the preceding calendar year, using the effective consumer
3 price index for all items for this state as determined by the
4 Legislative Budget Board based on information published by the
5 Bureau of Labor Statistics of the United States Department of
6 Labor.

7 (d) A local government's total expenditures from all
8 available sources of local revenue in a fiscal year may exceed the
9 amount described by Subsection (b) if:

10 (1) the local government's voters approve the
11 additional expenditures for that fiscal year at an election called
12 for that purpose and held on a uniform election date; or

13 (2) the governor declares or renews a declaration of a
14 state of disaster under Section 418.014, Government Code, in that
15 fiscal year, and the governor's designation of the area threatened
16 includes all or part of the geographic territory of the local
17 government.

18 (e) Revenue received from the issuance of bonds approved by
19 the voters or from a grant, donation, or gift is not considered an
20 available source of revenue for the purposes of this section.

21 SECTION 2. Section 140.012, Local Government Code, as added
22 by this Act, applies only to a fiscal year of a municipality or
23 county that begins on or after December 1, 2017.

24 SECTION 3. This Act takes effect December 1, 2017.