

By: Perry
(Lambert)

S.B. No. 158

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the location of a bank eligible to be selected as a
3 depository or subdepository of county public money, including money
4 held by a county or district clerk.

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

6 SECTION 1. Section 116.026, Local Government Code, is
7 amended to read as follows:

8 Sec. 116.026. APPLICANTS OUTSIDE COUNTY. (a) If no bank
9 located in the county applies to be designated as the county
10 depository, the commissioners court may advertise, in the same
11 manner provided by Section 116.022 for advertising for a depository
12 within the county, for applications from banks in an adjoining
13 county or any other county in this state.

14 (b) If only one bank located in the county applies to be
15 designated as the county depository, the commissioners court may
16 reject the applicant if the applicant proposes terms that:

17 (1) are not in the best interest of the county;

18 (2) are not financially competitive with the financial
19 market outside the county; or

20 (3) impose noncompetitive fees.

21 (c) If the commissioners court rejects the applicant under
22 Subsection (b), the commissioners court may advertise, in the same
23 manner provided by Section 116.022 for advertising for a depository
24 within the county, for applications from banks in an adjoining

1 county.

2 SECTION 2. Subchapter B, Chapter 116, Local Government
3 Code, is amended by adding Section 116.028 to read as follows:

4 Sec. 116.028. SUCCESSOR BANK AS COUNTY DEPOSITORY. (a) If
5 a bank selected to be a county depository and holding county funds
6 is sold to another bank in an adjoining county, the successor bank
7 in the adjoining county may continue to serve as a county depository
8 and apply and be selected as a county depository if the successor
9 bank:

10 (1) continues to have an office in an adjoining
11 county; and

12 (2) timely applies and is selected to be a county
13 depository in a manner that ensures no lapse of service as a county
14 depository.

15 (b) If a bank selected as a county depository and holding
16 county funds closes, a branch of the bank in an adjoining county may
17 continue to serve as a county depository and apply to be a county
18 depository if the successor bank:

19 (1) continues to have an office in an adjoining
20 county; and

21 (2) timely applies and is selected to be a county
22 depository in a manner that ensures no lapse of service as a county
23 depository.

24 SECTION 3. Section 116.116(b), Local Government Code, is
25 amended to read as follows:

26 (b) If the commissioners court selects a depository in
27 another county [~~under Section 116.026~~], the depository shall file a

1 statement with the county treasurer designating the place in the
2 county governed by the commissioners court where, and the person by
3 whom, deposits by the treasurer may be received and checks will be
4 paid, or the place in another county where deposits may be made and
5 checks may be paid. The statement must be filed within five days
6 after the date notice is given to the depository of its selection.

7 SECTION 4. Section [117.026](#)(a), Local Government Code, is
8 amended to read as follows:

9 (a) Subject to Sections [116.026](#) and [116.028](#), the ~~[The]~~
10 commissioners court may select a federally insured bank or banks
11 located outside the county to serve as the depository under this
12 subchapter if:

13 (1) for any reason no bank located in the county
14 applies to be designated as the depository;

15 (2) an application is not made for the entire amount of
16 the registry funds;

17 (3) the commissioners court rejects all the
18 applications submitted;

19 (4) a depository selected by the commissioners court
20 fails to qualify;

21 (5) a depository becomes insolvent; or

22 (6) a new depository is selected because of the
23 failure of the regular depository to execute a new bond under
24 Section [117.057](#).

25 SECTION 5. Section [117.118](#), Local Government Code, is
26 amended to read as follows:

27 Sec. 117.118. APPLICATION OF COUNTY DEPOSITORY LAW.

1 Matters regarding special depositories for the registry fund are
2 subject to the same provisions as those prescribed by Chapter 116
3 regarding county depositories, including Sections 116.026 and
4 116.028.

5 SECTION 6. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect September 1, 2023.