

By: Madla

S.B. No. 1301

A BILL TO BE ENTITLED

AN ACT

relating to the management of county money.

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

SECTION 1. Chapter 113, Local Government Code, is amended by adding Subchapter E to read as follows:

SUBCHAPTER E. ELECTRONIC TRANSFERS OF DEPOSITS AND DISBURSEMENTS

Sec. 113.101. ELECTRONIC TRANSFER SYSTEM AUTHORIZED. A county may establish an electronic transfer system for making an authorized:

(1) deposit into the county treasury; or

(2) disbursement from the county treasury.

Sec. 113.102. ADMINISTRATION OF SYSTEM. (a) The commissioners court shall establish policies for administering the electronic transfer system.

(b) The county treasurer shall administer the electronic transfer system. In administering the system, the county treasurer may use the services of financial institutions, automated clearing houses, and the federal government.

(c) In a county that does not have a county treasurer, the county auditor will perform the duties of the county treasurer described by this subchapter.

Sec. 113.103. APPROVAL OF DEPOSITS AND VERIFICATION OF CLAIMS. (a) The county depository may accept an electronic transfer into the county treasury only after the county treasurer

1 approves the transfer.

2 (b) The county treasurer may electronically disburse money  
3 to pay a claim only after the county auditor verifies to the  
4 treasurer that the claim has been approved in accordance with  
5 applicable law.

6 Sec. 113.104. DISBURSEMENTS TO MULTIPLE RECIPIENTS. A  
7 single electronic disbursement may contain payments to more than  
8 one person.

9 Sec. 113.105. STORAGE AND RETRIEVAL OF ELECTRONIC  
10 DOCUMENTS. Not later than 24 hours after a document is transmitted  
11 under an electronic transfer system, the document must be restored  
12 and accessible or must be printed and preserved in a nonelectronic  
13 form.

14 Sec. 113.106. NO ADDITIONAL RIGHTS CREATED. A county's use  
15 of an electronic method to transfer money does not create a right  
16 that would not have been created if the county had used a  
17 nonelectronic method to transfer the money.

18 SECTION 2. Section 113.004, Local Government Code, is  
19 amended to read as follows:

20 Sec. 113.004. [~~CLASSES OF~~] COUNTY FUNDS. (a) The county  
21 treasurer shall deposit money [~~divide the funds~~] received by the  
22 treasurer's office in a fund in accordance with Subsection (c) or as  
23 provided by other law [~~into three classes. The treasurer shall~~  
24 ~~appropriate the money in each class of funds to the payment of the~~  
25 ~~claims registered in the corresponding class of claims].~~

26 (b) [~~The classes of funds consist of:~~

27 [~~(1) jury fees, money received from the sale of~~

1 ~~estrays, and occupation taxes;~~

2 ~~[(2) money received under the provisions of a road and~~  
3 ~~bridge law, including penalties recovered from railroads for the~~  
4 ~~failure to repair crossings, and all fines and forfeitures; and~~

5 ~~[(3) other money received by the treasurer's office~~  
6 ~~that is not otherwise appropriated by this section or by the~~  
7 ~~commissioners court.~~

8 ~~[(c)]~~ The commissioners court, as it considers proper, may  
9 require the creation of a fund ~~[other accounts to be kept, creating~~  
10 ~~other classes of funds. The court may require scrip to be issued~~  
11 ~~against those accounts and to be registered accordingly].~~

12 (c) ~~[(d)]~~ The commissioners court by order may transfer  
13 money on hand from one fund to another as it considers necessary or  
14 as the budget provides ~~[, but amounts that belong to the first class~~  
15 ~~of funds may not be transferred from the payment of claims~~  
16 ~~registered in that class unless there is an excess amount in that~~  
17 ~~class].~~

18 SECTION 3. The heading to Section 113.008, Local Government  
19 Code, is amended to read as follows:

20 Sec. 113.008. RECONCILIATION OF COUNTY DEPOSITORY ACCOUNTS  
21 ~~[CHECKS AND WARRANTS].~~

22 SECTION 4. Sections 113.008(a), (b), and (c), Local  
23 Government Code, are amended to read as follows:

24 (a) The county depository shall provide a statement of all  
25 bank activity and documentation supporting each transaction on the  
26 statement at least once a month ~~[all canceled checks and warrants~~  
27 ~~and supporting statements]~~ to the county treasurer.

1           (b) ~~[Subsection (a) does not apply if the checks and~~  
2 ~~warrants are payable from funds under the direct authority of an~~  
3 ~~official other than the county treasurer as provided by statute.~~  
4 ~~The exemption provided by this subsection does not apply if the~~  
5 ~~official requests the county treasurer to be responsible for the~~  
6 ~~reconciliation of the checks and warrants payable from the funds~~  
7 ~~that are under the direct authority of the official.~~

8           ~~[(c)]~~ In fulfilling the requirements of this section  
9 ~~[Subsection (a)]~~, the county depository shall provide, at the  
10 direction of the county treasurer, +

11           ~~[(1) original canceled checks and warrants, or~~

12           ~~[(2)]~~ originals, optical or electronic images, or data  
13 files of [the front and back of] canceled checks and orders, deposit  
14 details, debit and credit memoranda, and electronic transmission  
15 details, provided that the [warrants if the optical] images or  
16 files are retained in accordance with ~~[the]~~ rules adopted by the  
17 Texas State Library and Archives Commission.

18           SECTION 5. Section 113.022, Local Government Code, is  
19 amended to read as follows:

20           Sec. 113.022. TIME FOR MAKING DEPOSITS. A county officer  
21 who receives funds shall deposit the funds with the county  
22 treasurer on or before the next regular business day after the date  
23 on which the funds are received. If this deadline is not met, the  
24 officer must deposit the funds, without exception, on or before the  
25 seventh business day after the day on which the funds are received.  
26 ~~[However, in a county with fewer than 50,000 inhabitants, the~~  
27 ~~commissioners court may extend the period during which funds must~~

1 ~~be deposited with the county treasurer, but the period may not~~  
2 ~~exceed 30 days after the date the funds are received.]~~

3 SECTION 6. Section 113.023, Local Government Code, is  
4 amended to read as follows:

5 Sec. 113.023. DEPOSIT ORDERS AND RECEIPTS [~~WARRANTS~~]. (a)  
6 Each [~~Except as provided by Subsection (c), each~~] deposit made in  
7 the county treasury must be made on a deposit order [~~warrant~~] issued  
8 by a person authorized by law to make the deposit [~~in triplicate by~~  
9 ~~the county clerk~~]. The deposit order [~~warrant~~] authorizes the  
10 county treasurer to receive the amount stated in the order  
11 [~~warrant~~]. The order [~~warrant~~] must certify the source of the money  
12 that comprises the deposit and state the specific purpose for which  
13 the amount is received and the fund to which it is to be applied.

14 (b) The county treasurer shall prepare a receipt for each  
15 deposit made in the county treasury and shall timely provide a copy  
16 of the receipt to the person authorized by law to make the deposit  
17 and the county auditor. In a county that does not have a county  
18 auditor, the county treasurer shall timely provide a copy of the  
19 receipt to the county clerk if the county clerk keeps general  
20 financial records for the county. [~~The county treasurer shall keep~~  
21 ~~the original of the warrant. The duplicate shall be signed and~~  
22 ~~returned to the county clerk. The triplicate shall be signed and~~  
23 ~~returned to the depositor. If the county has a county auditor, the~~  
24 ~~county clerk shall give the clerk's copy of the warrant to the~~  
25 ~~auditor, and the auditor shall enter the amount in the auditor's~~  
26 ~~books, charging the amount to the county treasurer and crediting~~  
27 ~~the person who deposited the amount. The treasurer may receive~~

1 ~~money only through this procedure except as provided by Subsection~~  
2 ~~(c).]~~

3 (c) ~~[In a county with more than 2.2 million inhabitants, the~~  
4 ~~county clerk is relieved of all duties under Subsections (a) and~~  
5 ~~(b). In any other county that has the office of county auditor, the~~  
6 ~~commissioners court by order may relieve the county clerk of all~~  
7 ~~duties under Subsections (a) and (b). If the county clerk is~~  
8 ~~relieved of duties, the county treasurer shall receive all deposits~~  
9 ~~that are made in the county treasury. The county treasurer shall~~  
10 ~~prepare a receipt in triplicate for all money received. The~~  
11 ~~treasurer shall keep one copy of the receipt and shall transmit the~~  
12 ~~original to the county auditor and the other copy to the depositor.]~~

13 The county auditor shall prescribe a system, not inconsistent with  
14 this section ~~[subsection]~~, to be used by the county treasurer for  
15 receiving and depositing money.

16 SECTION 7. The heading to Section 113.041, Local Government  
17 Code, is amended to read as follows:

18 Sec. 113.041. DISBURSEMENT OF MONEY BY COUNTY TREASURER;  
19 PAYMENT BY CHECK OR OTHER ORDER ~~[WARRANT]~~; LOST OR DESTROYED  
20 INSTRUMENT.

21 SECTION 8. Sections 113.041(b), (c), and (d), are amended  
22 to read as follows:

23 (b) Except as provided by Chapter 156 and Subchapter E, a  
24 person may not spend or withdraw money from the county treasury  
25 except by a check or other order ~~[warrant]~~ drawn on the county  
26 treasury, whether or not the money is in a county depository as  
27 required by law.

1 (c) The county treasurer may not pay or disburse money out  
2 of the county treasury without authority, as provided by law, to  
3 make the payment or disbursement [~~a certificate or warrant from an~~  
4 ~~officer who is authorized by law to issue the certificate or~~  
5 ~~warrant~~].

6 (d) If the treasurer doubts the legality or propriety of an  
7 order [~~, decree, certificate, or warrant~~] presented to the treasurer  
8 for payment, the treasurer may not make the payment. The treasurer  
9 shall report the matter to the commissioners court for the court's  
10 consideration and direction.

11 SECTION 9. Section 113.042, Local Government Code, is  
12 amended to read as follows:

13 Sec. 113.042. AUTHORIZATION [~~ENDORSEMENT~~] BY COUNTY  
14 TREASURER; OTHER ORDER [~~WARRANT~~] REQUIREMENTS. (a) On the  
15 presentation of an [~~a warrant, check, voucher, or~~] order approved  
16 [~~drawn~~] by [~~a~~] proper authorities [~~authority~~], and if there are  
17 sufficient funds for payment on deposit in the account against  
18 which the instrument is drawn, the county treasurer shall authorize  
19 disbursement [~~endorse on the face of the instrument the order~~] to  
20 [~~pay~~] the named payee or receiver and shall record in the  
21 treasurer's records the authorization, [charge] the amount, and [in  
22 ~~the treasurer's records to]~~ the fund on which it is drawn.

23 (b) [~~The county treasurer may not issue and the county~~  
24 ~~depository may not pay a check drawn on the county depository to~~  
25 ~~take up a warrant drawn by a proper authority, but the county~~  
26 ~~treasurer shall, on the presentation of the warrant, endorse the~~  
27 ~~warrant and deliver it to the payee, who may present it to the~~

1 ~~county depository for payment.~~

2 ~~[(c) The treasurer may not endorse an instrument designated~~  
3 ~~as a time deposit until after the notice and time requirements in~~  
4 ~~the depository contract that designates the funds as time deposits~~  
5 ~~are met.~~

6 ~~[(d)]~~ If a bond, coupon, or other instrument is payable on  
7 its own terms at any place other than the county treasury, this  
8 section does not prevent the commissioners court from ordering the  
9 treasurer to place a sufficient sum at the location where the  
10 instrument is payable at the time and place of its maturity, as long  
11 as the payment is made in the manner prescribed by law.

12 (c) The application of this section is subject to all  
13 applicable laws relating to auditing and countersigning.

14 ~~[(e) Each check or warrant issued or drawn by an officer~~  
15 ~~under the provisions of this section is subject to all laws and~~  
16 ~~rules relating to auditing and countersigning.~~

17 ~~[(f) Each warrant or scrip issued against the county~~  
18 ~~treasurer by a judge or court must be signed and attested by the~~  
19 ~~clerk or judge of the court under that officer's official seal.~~

20 ~~[(g) A justice of the peace may not issue warrants against~~  
21 ~~the county treasury for any purpose except as may be provided by the~~  
22 ~~Code of Criminal Procedure.]~~

23 SECTION 10. Section 113.044, Local Government Code, is  
24 amended to read as follows:

25 Sec. 113.044. MARKING PAID ORDERS [WARRANTS TO BE  
26 PUNCHED]. If the county treasurer pays an order that has not been  
27 presented to a depository ~~[At the time the county treasurer pays a~~



1 ~~warrant]~~, the treasurer shall clearly mark the order as paid at the  
2 time the treasurer pays the order [~~punch the warrant~~].

3 SECTION 11. Subchapter Z, Chapter 113, Local Government  
4 Code, is amended by adding Section 113.904 to read as follows:

5 Sec. 113.904. ELECTRONIC SIGNATURES AND OTHER ELECTRONIC  
6 ACTIONS PERMITTED FOR ADMINISTRATIVE PURPOSES. (a) A signature or  
7 authorization that is required for an electronically transmitted  
8 deposit, requisition, purchase order, claim, payment, or other  
9 financial activity may be electronically transmitted if the  
10 electronic signature or authorization has sufficient security  
11 features to insure its authenticity.

12 (b) A provision in this chapter that requires an  
13 administrative action, such as providing a triplicate form of a  
14 document or stamping a document, may be fulfilled by an electronic  
15 method if the electronic method accomplishes the purpose of the  
16 administrative action.

17 SECTION 12. This Act takes effect September 1, 2003.