

By: Solomons

H.B. No. 2641

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the selection of depositories for certain county funds,
3 including funds held by a county or district clerk.

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

5 SECTION 1. Section 116.021(a), Local Government Code, is
6 amended to read as follows:

7 (a) The commissioners court of a county [~~at its May regular~~
8 ~~term immediately following each general election for state and~~
9 ~~county officers~~] shall select by the process described by Section
10 116.024 or by negotiated bid [~~contract with~~] one or more banks in
11 the county and enter a contract with each selected bank for the
12 deposit of the county's public funds. The county shall contract
13 with a bank under this section for a two-year or four-year contract
14 term.

15 SECTION 2. Section 116.022(a), Local Government Code, is
16 amended to read as follows:

17 (a) Once each week for at least 20 days before the date of a
18 meeting of the [~~May regular term of a~~] commissioners court at which
19 the court will make a depository contract, the county judge shall
20 place over the judge's name in a newspaper published in the county a
21 notice that the commissioners court intends to make the contract. A
22 notice shall also be posted at the courthouse door of the county.

23 SECTION 3. Section 116.023(a), Local Government Code, is
24 amended to read as follows:

1 (a) A bank in the county that wants to be a county depository
2 must deliver its application to the county judge on or before a date
3 set by the commissioners court [~~the first day of the term of the~~
4 ~~commissioners court at which depositories are to be selected~~].

5 SECTION 4. Section 116.024(a), Local Government Code, is
6 amended to read as follows:

7 (a) At the meeting [~~10 a.m. on the first day of each term~~] at
8 which banks are to be selected as county depositories, the
9 commissioners court shall:

10 (1) enter in the minutes of the court all applications
11 filed with the county judge;

12 (2) consider all applications; and

13 (3) select the qualified applicants that offer the
14 most favorable terms and conditions for the handling of the county
15 funds.

16 SECTION 5. Sections 117.021(a) and (c), Local Government
17 Code, are amended to read as follows:

18 (a) The commissioners court of a county [~~at its May regular~~
19 ~~term after a general election for state and county officers~~] shall
20 receive an application from a federally insured bank or banks in the
21 county to be the depository for a special account held by the county
22 clerk and the district clerks. The county shall select by the
23 process described by Section 116.024 or by negotiated bid [~~contract~~
24 ~~with~~] a federally insured bank or banks under this section and enter
25 a contract with each selected bank for a two-year or four-year
26 [~~contract~~] term. The contract may, on request by the clerk and
27 approval of the commissioners court, include a provision that the

1 funds in a special account earn interest. A request from the clerk
2 that an account earn interest must be made, in writing, to the
3 commissioners court not later than the 30th day before the date the
4 county gives notice under Section 117.022 and shall be entered in
5 the minutes of the court.

6 (c) A bank must file its application on or before a date set
7 by the commissioners court [~~10 a.m. on the first day of the term~~].
8 The application must be accompanied by a certified check or
9 cashier's check for at least one-half of one percent of the average
10 daily balance of the registry funds held by the county clerk and the
11 district clerk during the preceding calendar year, as determined by
12 the county clerk and the district clerk on or before the 10th day
13 before the date the application is required to be filed. A
14 certified check or cashier's check that complies with this section
15 is a good-faith guarantee on the part of the applicant that if its
16 application is accepted it will execute the bond required under
17 this subchapter. If the bank selected as depository does not
18 provide the bond, the county shall retain the amount of the check as
19 liquidated damages and the county shall select another depository
20 as provided by this subchapter.

21 SECTION 6. Section 117.023(a), Local Government Code, is
22 amended to read as follows:

23 (a) At the meeting [~~10 a.m. on the first day of each term~~] at
24 which banks are to be selected [~~the commissioners court is required~~
25 ~~to receive applications~~] to serve as the depository for registry
26 funds held by the county clerk and the district clerk, the
27 commissioners court shall enter the applications in the minutes of

1 the court and select a depository.

2 SECTION 7. Section 117.025(b), Local Government Code, is
3 amended to read as follows:

4 (b) A designation under Subsection (a) is effective until
5 the designation and qualification of a successor depository or
6 until April 15 following the expiration of the contract [~~term in~~
7 ~~which a depository must be selected under this subchapter~~],
8 whichever is earlier. If the term of a depository ends before the
9 designation and qualification of a successor, the depository shall
10 pay to the clerk in whose name the account is carried all registry
11 funds due or on deposit.

12 SECTION 8. Sections 116.021(c) and 117.021(d), Local
13 Government Code, are repealed.

14 SECTION 9. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2007.