

SENATE AMENDMENTS

2nd Printing

By: Hilderbran

H.B. No. 892

A BILL TO BE ENTITLED

AN ACT

relating to the timely deposit of, and depositories for, certain county funds and registry funds.

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

SECTION 1. Section 113.022, Local Government Code, is amended to read as follows:

Sec. 113.022. TIME FOR MAKING DEPOSITS. (a) A county officer who receives funds shall deposit the funds with the county treasurer on or before the next regular business day after the date on which the funds are received. If this deadline is not met, the officer must deposit the funds, without exception, on or before the seventh business day after the day on which the funds are received. However, in a county with fewer than 50,000 inhabitants, the commissioners court may extend the period during which funds must be deposited with the county treasurer, but the period may not exceed 30 days after the date the funds are received.

(b) A county treasurer shall deposit the funds received under Subsection (a) in the county depository in accordance with Section 116.113(a). In all cases, the treasurer shall deposit the funds on or before the seventh business day after the date the treasurer receives the funds.

SECTION 2. Sections 116.021(a) and (b), Local Government Code, are amended to read as follows:

(a) The commissioners court of a county [~~at its May regular~~

~~term immediately following each general election for state and county officers]~~ shall contract with one or more banks in the county and enter a contract with each selected bank for the deposit of the county's public funds. The county shall contract with a bank under this section for a two-year or four-year contract term. On expiration of a contract under this section, the contract may be renewed for two years under terms negotiated by the commissioners court.

(b) If the contract is for a four-year term, the contract shall allow the county ~~[bank]~~ to establish, on the basis of negotiations with the bank ~~[county]~~, new interest rates and financial terms of the contract that will take effect during the final two years of the four-year contract ~~[if~~

~~[(1) the new financial terms do not increase the prices to the county by more than 10 percent, and~~

~~[(2) the county has the option to choose to use the initial variable interest rate option or to change to the new fixed or variable interest rate options proposed by the bank].~~

SECTION 3. Section 116.022(a), Local Government Code, is amended to read as follows:

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

SECTION 4. Section 116.023(a), Local Government Code, is

1 amended to read as follows:

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

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

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

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

13 (2) consider all applications; and

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

17 SECTION 6. Sections 117.021(a) and (c), Local Government
18 Code, are amended to read as follows:

19 (a) The commissioners court of a county [~~at its May regular~~
20 ~~term after a general election for state and county officers~~] shall
21 receive an application from a federally insured bank or banks in the
22 county to be the depository for a special account held by the county
23 clerk and the district clerks. The county shall contract with a
24 federally insured bank or banks under this section and enter a
25 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. On expiration of a contract under this
 6 subsection, the contract may be renewed for two years under terms
 7 negotiated by the commissioners court.

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

23 SECTION 7. Section 117.023(a), Local Government Code, is
 24 amended to read as follows:

25 (a) At the meeting [~~10 a.m. on the first day of each term~~] at
 26 which banks are to be selected [~~the commissioners court is required~~
 27 ~~to receive applications~~] to serve as the depository for registry

1 funds held by the county clerk and the district clerk, the
2 commissioners court shall enter the applications in the minutes of
3 the court and select a depository.

4 SECTION 8. Section 117.025(b), Local Government Code, is
5 amended to read as follows:

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

14 SECTION 9. Sections 116.021(c) and 117.021(d), Local
15 Government Code, are repealed.

16 SECTION 10. This Act takes effect September 1, 2007.

ADOPTED

MAY 22 2007

Leta Spaw
Secretary of the Senate

By: HILDERBRAND
Fraser

H.B. No. 892

Substitute the following for H.B. No. 892:

By: [Signature]

C.S. H.B. No. 892

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3 and enter a contract with each selected bank for the deposit of the
4 county's public funds. The county shall contract with a bank under
5 this section for a two-year or four-year contract term. On
6 expiration of a contract under this section, the contract may be
7 renewed for two years under terms negotiated by the commissioners
8 court.

9 (b) If the contract is for a four-year term, the contract
10 shall allow the county ~~[bank]~~ to establish, on the basis of
11 negotiations with the bank ~~[county]~~, new interest rates and
12 financial terms of the contract that will take effect during the
13 final two years of the four-year contract ~~[if:~~

14 ~~[(1) the new financial terms do not increase the~~
15 ~~prices to the county by more than 10 percent, and~~

16 ~~[(2) the county has the option to choose to use the~~
17 ~~initial variable interest rate option or to change to the new fixed~~
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22 meeting of the ~~[May regular term of a]~~ commissioners court at which
23 the court will select a depository bank ~~[make a depository~~
24 ~~contract]~~, the county judge shall place over the judge's name in a
25 newspaper published in the county a notice that the commissioners
26 court intends to select a depository bank ~~[make the contract]~~. A
27 notice shall also be posted at the courthouse door of the county.

1 SECTION 4. Section 116.023(a), Local Government Code, is
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27 [~~contract~~] term. The contract may, on request by the clerk and

1 approval of the commissioners court, include a provision that the
2 funds in a special account earn interest. A request from the clerk
3 that an account earn interest must be made, in writing, to the
4 commissioners court not later than the 30th day before the date the
5 county gives notice under Section 117.022 and shall be entered in
6 the minutes of the court. On expiration of a contract under this
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14 district clerk during the preceding calendar year, as determined by
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12 designation and qualification of a successor, the depository shall
13 pay to the clerk in whose name the account is carried all registry
14 funds due or on deposit.

15 SECTION 9. Sections 116.021(c) and 117.021(d), Local
16 Government Code, are repealed.

17 SECTION 10. This Act takes effect September 1, 2007.

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LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 10, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB892 by Hilderbran (Relating to the timely deposit of, and depositories for, certain county funds and registry funds.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code making adjustments to the procedures and requirements for a county to select depositories and make deposits for certain county funds and registry funds.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, DB

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 26, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB892 by Hilderbran (Relating to the timely deposit of, and depositories for, certain county funds and registry funds.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code making adjustments to the procedures and requirements for a county to select depositories and make deposits for certain county funds and registry funds.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, DB

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LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 20, 2007

TO: Honorable Wayne Smith, Chair, House Committee on County Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB892 by Hilderbran (Relating to the timely deposit of county funds received by the county treasurer.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, DB

