

By: Harris, Goldman, et al.

H.B. No. 2362

A BILL TO BE ENTITLED

AN ACT

relating to municipalities and counties that adopt budgets that defund law enforcement agencies.

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

SECTION 1. Chapter 140, Local Government Code, is amended by adding Sections 140.013 and 140.014 to read as follows:

Sec. 140.013. DEFUNDING LOCAL GOVERNMENT. (a) A defunding local government is a municipality or county:

(1) that adopts a budget for a fiscal year that, in comparison to the local government's preceding fiscal year, reduces:

(A) the appropriation to the local government's law enforcement agency;

(B) the number of peace officers the local government's law enforcement agency is authorized to employ;

(C) funding for peace officer overtime compensation for the local government's law enforcement agency; or

(D) funding for the recruitment and training of new peace officers to fill each vacant peace officer position in the local government's law enforcement agency; and

(2) for which the criminal justice division of the governor's office issues a written determination finding that the local government has taken an action described by Subdivision (1).

(a-1) In making a determination of whether a local

1 government is a defunding local government according to the budget
2 adopted for the first fiscal year beginning on or after September 1,
3 2021, the criminal justice division of the governor's office shall
4 compare the funding and personnel in that budget to the funding and
5 personnel in the budget of the preceding fiscal year or the second
6 preceding fiscal year, whichever is greater. This subsection
7 expires September 1, 2023.

8 (b) A local government is considered to be a defunding local
9 government until the criminal justice division of the governor's
10 office issues a written determination finding that the local
11 government has reversed the reductions, adjusted for inflation,
12 described in Subsection (a)(1).

13 (c) The criminal justice division of the governor's office
14 shall:

15 (1) compute the inflation rate used to make
16 determinations under Subsection (b) each state fiscal year using a
17 price index that accurately reports changes in the purchasing power
18 of the dollar for local governments in this state; and

19 (2) publish the inflation rate in the Texas Register.

20 Sec. 140.014. LIMIT ON ANNUAL EXPENDITURES BY DEFUNDING
21 LOCAL GOVERNMENT. (a) This section applies to a defunding local
22 government under Section 140.013.

23 (b) A defunding local government's total expenditures from
24 all available sources of revenue in a fiscal year may not exceed the
25 defunding local government's total expenditures from all available
26 sources of revenue in the defunding local government's fiscal year
27 immediately preceding the fiscal year during which the criminal

1 justice division of the governor's office issued the written
2 determination declaring the local government to be a defunding
3 local government under Section 140.013.

4 (c) A local government is no longer considered to be a
5 defunding local government for purposes of this section when the
6 criminal justice division of the governor's office issues a written
7 determination in accordance with Section 140.013(b) finding that
8 the local government has reversed the reductions described by
9 Section 140.013(a)(1).

10 (d) Revenue received from the issuance of bonds approved by
11 voters or from a grant, donation, or gift is not considered an
12 available source of revenue for purposes of this section.

13 SECTION 2. Section 140.013, Local Government Code, as added
14 by this Act, applies only to the adoption of a budget by a
15 municipality or county for a fiscal year that begins on or after the
16 effective date of this Act.

17 SECTION 3. This Act takes effect September 1, 2021.