

By: Burns

H.B. No. 3021

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 Section 140.013 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 SECTION 2. Subchapter F, Chapter 321, Tax Code, is amended
21 by adding Section 321.5025 to read as follows:

22 Sec. 321.5025. DISTRIBUTION OF TRUST FUNDS TO DEFUNDING
23 MUNICIPALITY. (a) For purposes of this section, a "defunding
24 municipality" means a municipality that is a defunding local
25 government under Section 140.013, Local Government Code.

26 (b) Notwithstanding Section 321.502, the comptroller may
27 not, before July 1 of each state fiscal year, send to a defunding

1 municipality its share of the taxes collected by the comptroller
2 under this chapter during the state fiscal year. Before sending the
3 defunding municipality its share of the taxes, the comptroller
4 shall deduct the amount reported to the comptroller for the
5 defunding municipality under Subsection (c) and credit that
6 deducted amount to the general revenue fund. Money credited to the
7 general revenue fund under this subsection may be appropriated only
8 to the Department of Public Safety.

9 (c) Not later than August 1 of each state fiscal year, the
10 criminal justice division of the governor's office shall report to
11 the comptroller for each defunding municipality the amount of money
12 the state spent in that state fiscal year to provide law enforcement
13 services in that defunding municipality.

14 (d) A municipality is no longer considered to be a defunding
15 municipality for purposes of this section when the criminal justice
16 division of the governor's office issues a written determination in
17 accordance with Section 140.013(b), Local Government Code, finding
18 that the municipality has reversed the reductions described by
19 Section 140.013(a)(1), Local Government Code.

20 SECTION 3. Section 140.013, Local Government Code, as added
21 by this Act, applies only to the adoption of a budget by a
22 municipality or county for a fiscal year that begins on or after the
23 effective date of this Act.

24 SECTION 4. Section 321.5025, Tax Code, as added by this Act,
25 applies only to a distribution of municipal sales and use tax
26 revenue to a municipality in a state fiscal year that begins on or
27 after the effective date of this Act.

1 SECTION 5. This Act takes effect September 1, 2021.