

## **BILL ANALYSIS**

S.B. 158  
By: Perry  
County Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

In most cases, a county is required to deposit county funds in a bank located within the county. In rural Texas, however, counties may be faced with limited banking options. S.B. 158 seeks to address this issue by providing for additional conditions under which a county's depository may be located outside the county.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

S.B. 158 amends the Local Government Code to authorize a county commissioners court, if only one bank located in the county applies to be designated as the county depository, to reject the applicant if the applicant proposes the following terms:

- terms that are not in the county's best interest;
- terms that are not financially competitive with the financial market outside the county;
- or
- terms that impose noncompetitive fees.

The bill authorizes a commissioners court that rejects an applicant to advertise, in the applicable manner for advertising for a depository within the county, for applications from banks in an adjoining county.

S.B. 158 establishes the following:

- if a bank selected to be a county depository and holding county funds is sold to another bank in an adjoining county, the successor bank in the adjoining county may continue to serve as a county depository and apply and be selected as a county depository under the following conditions:
  - the successor bank continues to have an office in an adjoining county; and
  - the successor bank timely applies and is selected to be a county depository in a manner that ensures no lapse of service as a county depository; and
- if a bank selected as a county depository and holding county funds closes, a branch of the bank in an adjoining county may continue to serve as a county depository and apply to be a county depository if those same conditions are met.

S.B. 158 does the following with regard to statutory provisions relating to county depository applicants outside of the county and with regard to the bill's provisions relating to a successor bank in another county as the county depository:

- subjects to such provisions the conditional authority of a commissioners court to select a federally insured bank or banks located outside the county to serve as the depository for registry funds held by the county clerk and the district clerk; and
- explicitly includes such provisions as provisions to which matters regarding special depositories for the court registry fund of a county with a population of 1.3 million or more are subject.

#### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.