

BILL ANALYSIS

Senate Research Center

S.B. 1395
By: Lindsay
Intergovernmental Relations
4-3-97
Committee Report (Amended)

DIGEST

Currently, Chapter 111, Local Government Code, provides for the preparation and adoption of an annual budget by counties. Subchapters A, B, and C of Chapter 111, Local Government Code, provide varying degrees of flexibility in amending the budget and in spending revenues not included in the budget, such as bonds and grants. There has been some concern as to whether counties operating under Subchapter C have the authority to spend bond proceeds, grants, or other revenue not included in the budget, or to amend the budget. S.B. 1395 would provide all counties the same flexibility to amend the budget and spend unanticipated revenues by copying into each subchapter in Chapter 111, Local Government Code, the relevant provisions of the other subchapters.

PURPOSE

As proposed, C.S.S.B. 1395 outlines provisions regarding the preparation of a county budget in certain counties.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the commissioners court under SECTIONS 1, 2, 4, 5, 6, 7, and 8 (Sections 111.0105, 111.0106, 111.041(c), 111.070(c), 111.0705, 111.0706, 111.0107, 111.045, and 111.708, Local Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 111A, Local Government Code, by adding Sections 111.0105 and 111.0106, as follows:

Sec. 111.0105. BUDGET FOR EXPENDITURES FROM PROCEEDS OF BONDS OR ANTICIPATION WARRANTS. Requires the commissioners court to adopt a budget or proposed expenditures if a county bond issue is submitted at an election or if anticipation warrants are to be issued against future revenues and a tax is to be levied for those warrants. Authorizes the county to make expenditures from the proceeds in the manner provided by this subchapter for expenditures for general purposes on receipt of the proceeds of the sale of the bonds or warrants.

Sec. 111.0106. SPECIAL BUDGET FOR GRANT OR AID MONEY. Requires the county auditor, or county judge in a county that does not have a county auditor, to certify to the commissioners court the receipt of all public or private grant or aid money that is available for disbursement in a fiscal year but not included in the budget for that fiscal year. Requires the court to adopt a special budget for the limited purpose of spending the grant or aid money for its intended purposes on certification.

SECTION 2. Amends Section 111.041, Local Government Code, as follows:

Sec. 111.041. New heading: EXPENDITURE OF FUNDS UNDER BUDGET; EMERGENCY EXPENDITURE; BUDGET TRANSFER. Authorizes the commissioners court to spend county funds only in strict compliance with the budget except as provided by this section. Authorizes the commissioners court to authorize an emergency expenditure as an amendment to the original budget only in a case of grave public necessity to meet an

unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention. Provides that if the court amends the original budget to meet an emergency, the court shall file a copy of its order amending the budget with the county clerk, and the clerk shall attach the copy to the original budget. Authorizes the commissioners court, by order, to amend the budget to transfer an amount budgeted for one item to another budget item without authorizing an emergency expenditure. Deletes text authorizing the commissioners court to transfer an existing budget surplus to a budget of a similar kind and fund and prohibiting the transfer from increasing the total of the budget.

SECTION 3. Amends Chapter 111B, Local Government Code, by adding Section 111.0415, as follows:

Sec. 111.0415. CHANGES IN BUDGET FOR COUNTY PURPOSES. Provides that this subchapter does not prevent the commissioners court from making changes in the budget for county purposes.

SECTION 4. Amends Section 111.070, Local Government Code, to make conforming changes.

SECTION 5. Amends Chapter 111C, Local Government Code, by adding Sections 111.0705-111.0707, to make conforming changes.

SECTION 6. Amends Chapter 111A, Local Government Code, by adding Section 111.0107, as follows:

Sec. 111.0107. SPECIAL BUDGET FOR REVENUE FROM INTERGOVERNMENTAL CONTRACTS. Requires the county auditor, or county judge in a county that does not have an auditor, to certify to the commissioners court the receipt of all revenue from intergovernmental contracts that is available for disbursement in a fiscal year but not included in the budget for that fiscal year. Requires the court, on certification, to adopt a special budget for the limited purpose of spending the revenue from intergovernmental contracts for its intended purpose.

SECTION 7. Amends Chapter 111B, Local Government Code, by adding Section 111.045, as follows:

Sec. 111.045. SPECIAL BUDGET FOR REVENUE FROM INTERGOVERNMENTAL CONTRACTS. Requires the county auditor to certify to the commissioners court the receipt of all revenue from intergovernmental contracts that is available for disbursement in a fiscal year but not included in the budget for that fiscal year. Requires the court, on certification, to adopt a special budget for the limited purpose of spending the revenue from intergovernmental contracts for its intended purpose.

SECTION 8. Amends Chapter 111C, Local Government Code, by adding Section 111.708, to make a conforming change.

SECTION 9. Emergency clause.
Effective date: upon passage.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Chapter 111A, Local Government Code, by adding Sections 111.0105 and 111.0106, to insert ", or county judge in a county that does not have an auditor," after "county auditor,."

SECTION 6.

Amends Chapter 111A, Local Government Code, by adding Section 111.0107, regarding a special budget for revenue from intergovernmental contracts.

SECTION 7.

Amends Chapter 111B, Local Government Code, by adding Section 111.045, regarding a special budget for revenue from intergovernmental contracts.

SECTION 8.

Amends Chapter 111C, Local Government Code, by adding Section 111.708, to make a conforming change.