

BILL ANALYSIS

Senate Research Center
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S.B. 1357
By: Hughes
Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Chapter 111 of the Local Government Code deals with county budget preparation and places counties into two primary categories: counties with a population of less than or greater than 225,000. Counties with a population of less than 225,000 must prepare a budget in the seventh or 10th month of the fiscal year (Section 111.003(a)), file the proposed budget with the county clerk (Section 111.006), hold a public hearing on the budget "after the 15th day of the month next following the month in which the budget was prepared in accordance with (Section 111.003), but before the date on which taxes are levied by the court" (Section 111.007), take action on the proposed budget at the conclusion of the public hearing (Section 111.008), and file the approved budget with the county clerk (Section 111.009).

Counties with a population greater than 225,000 must prepare a budget "[w]ithin 30 days before the first day of each fiscal year or on or immediately after that first day" (Section 111.033), file the proposed budget with the county clerk (Section 111.037), hold a public hearing on the budget within 10 days after the budget is filed with the clerk but before the end of the first month of the fiscal year (Section 111.038), take action on the proposed budget at the conclusion of the public hearing (Section 111.039), and file the approved budget with the county auditor and county clerk (Section 111.040).

As the overview above indicates, small and large counties follow a somewhat different budget process, but both types of counties would benefit from more flexibility in their budget adoption schedule. Under S.B. 1357, both small and large counties would prepare and file a proposed budget 60 days before the start of the fiscal year, hold a public hearing on the budget within 10 days of filing the budget (but before the county's ad valorem tax rate is adopted), give notice of the public hearing between 30 and 10 days prior to the hearing, and take action on the budget at least 10 days before the start of the fiscal year.

As proposed, S.B. 1357 amends current law relating to deadlines associated with proposing and adopting a budget for certain counties.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 111.003(a), Local Government Code, to require the county judge, assisted by the county auditor or county clerk, not later than the 60th day before the first day of the fiscal year, rather than during the 7th or the 10th month of the fiscal year as determined by the commissioners court, to prepare a budget to cover all proposed expenditures of the county government for the succeeding fiscal year.

SECTION 2. Amends Section 111.006(a), Local Government Code, to require the county judge, not later than the 60th day before the first day of the fiscal year, rather than when the county judge has completed the preparation of the budget, to file a copy of the proposed budget with the county clerk.

SECTION 3. Amends Sections 111.007(b) and (c), Local Government Code, as follows:

(b) Requires the commissioners court to hold the public hearing on the proposed budget hearing not later than the 10th day after the day the budget is filed under Section 111.006 (Proposed Budget Filed with County Clerk; Public Inspection) but before the date the commissioners court adopts the county's ad valorem tax rate for the current tax year. Deletes existing text requiring the commissioners court to set the hearing for a date after the 15th day of the month next following the month in which the budget was prepared in accordance with Section 111.003 (Annual Budget Required), Local Government Code, but before the date on which taxes are levied by the court.

(c) Requires the commissioners court to give the public notice that it will consider the proposed budget under this subsection not earlier than the 30th day before the date of the hearing, and not later than the 10th day before the date of the hearing.

SECTION 4. Amends Section 111.008(a), Local Government Code, to require the commissioners court, after the conclusion of the public hearing but not later than the 10th day before the first day of the fiscal year, rather than at the conclusion of the public hearing, to take action on the proposed budget.

SECTION 5. Amends Section 111.033(a), Local Government Code, to require the county auditor, not later than the 60th day before the first day of each fiscal year, rather than within 30 days before the first day of each fiscal year or on or immediately after that first day, to prepare a budget to cover the proposed expenditures of the county government for that fiscal year.

SECTION 6. Amends Section 111.037(a), Local Government Code, to require the county auditor, not later than the 60th day before the first day of the fiscal year, to file a copy of the proposed budget with the county clerk. Makes a nonsubstantive change.

SECTION 7. Amends Sections 111.038(b) and (c), Local Government Code, as follows:

(b) Requires the commissioners court to hold the public hearing on the proposed budget hearing not later than the 10th day after the day the proposed budget is filed under Section 111.037 (Proposed Budget Filed with County Clerk; Public Inspection) but before the date the commissioners court adopts the county's ad valorem tax rate for the current tax year. Deletes existing text requiring the commissioners court to hold the hearing on a day within 10 calendar days after the date the proposed budget is filed but before the last day of the first month of the fiscal year.

(c) Requires the commissioners court to give the public notice that it will consider the proposed budget under this subsection not earlier than the 30th day before the date of the hearing, and not later than the 10th day before the date of the hearing.

SECTION 8. Amends Section 111.039(a), Local Government Code, to require the commissioners court, after the conclusion of the public hearing but not later than the 10th day before the first day of the fiscal year, rather than at the conclusion of the public hearing, to take action on the proposed budget.

SECTION 9. Provides that the changes in law made by this Act apply to a budget proposed by a county commissioners court for a fiscal year beginning on or after the effective date of this Act.

SECTION 10. Effective date: upon passage or September 1, 2021.