

1-1 By: Perry S.B. No. 158
 1-2 (In the Senate - Filed November 14, 2022; February 15, 2023,
 1-3 read first time and referred to Committee on Local Government;
 1-4 March 29, 2023, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 7, Nays 0; March 29, 2023,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17			X	

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 158 By: Springer

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the location of a bank eligible to be selected as a
 1-22 depository or subdepository of county public money, including money
 1-23 held by a county or district clerk.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-25 SECTION 1. Section 116.026, Local Government Code, is
 1-26 amended to read as follows:

1-27 Sec. 116.026. APPLICANTS OUTSIDE COUNTY. (a) If no bank
 1-28 located in the county applies to be designated as the county
 1-29 depository, the commissioners court may advertise, in the same
 1-30 manner provided by Section 116.022 for advertising for a depository
 1-31 within the county, for applications from banks in an adjoining
 1-32 county or any other county in this state.

1-33 (b) If only one bank located in the county applies to be
 1-34 designated as the county depository, the commissioners court may
 1-35 reject the applicant if the applicant proposes terms that:

1-36 (1) are not in the best interest of the county;

1-37 (2) are not financially competitive with the financial
 1-38 market outside the county; or

1-39 (3) impose noncompetitive fees.

1-40 (c) If the commissioners court rejects the applicant under
 1-41 Subsection (b), the commissioners court may advertise, in the same
 1-42 manner provided by Section 116.022 for advertising for a depository
 1-43 within the county, for applications from banks in an adjoining
 1-44 county.

1-45 SECTION 2. Subchapter B, Chapter 116, Local Government
 1-46 Code, is amended by adding Section 116.028 to read as follows:

1-47 Sec. 116.028. SUCCESSOR BANK AS COUNTY DEPOSITORY. (a) If
 1-48 a bank selected to be a county depository and holding county funds
 1-49 is sold to another bank in an adjoining county, the successor bank
 1-50 in the adjoining county may continue to serve as a county depository
 1-51 and apply and be selected as a county depository if the successor
 1-52 bank:

1-53 (1) continues to have an office in an adjoining
 1-54 county; and

1-55 (2) timely applies and is selected to be a county
 1-56 depository in a manner that ensures no lapse of service as a county
 1-57 depository.

1-58 (b) If a bank selected as a county depository and holding
 1-59 county funds closes, a branch of the bank in an adjoining county may
 1-60 continue to serve as a county depository and apply to be a county

2-1 depository if the successor bank:
2-2 (1) continues to have an office in an adjoining
2-3 county; and
2-4 (2) timely applies and is selected to be a county
2-5 depository in a manner that ensures no lapse of service as a county
2-6 depository.

2-7 SECTION 3. Section 116.116(b), Local Government Code, is
2-8 amended to read as follows:

2-9 (b) If the commissioners court selects a depository in
2-10 another county [~~under Section 116.026~~], the depository shall file a
2-11 statement with the county treasurer designating the place in the
2-12 county governed by the commissioners court where, and the person by
2-13 whom, deposits by the treasurer may be received and checks will be
2-14 paid, or the place in another county where deposits may be made and
2-15 checks may be paid. The statement must be filed within five days
2-16 after the date notice is given to the depository of its selection.

2-17 SECTION 4. Section 117.026(a), Local Government Code, is
2-18 amended to read as follows:

2-19 (a) Subject to Sections 116.026 and 116.028, the [The]
2-20 commissioners court may select a federally insured bank or banks
2-21 located outside the county to serve as the depository under this
2-22 subchapter if:

2-23 (1) for any reason no bank located in the county
2-24 applies to be designated as the depository;

2-25 (2) an application is not made for the entire amount of
2-26 the registry funds;

2-27 (3) the commissioners court rejects all the
2-28 applications submitted;

2-29 (4) a depository selected by the commissioners court
2-30 fails to qualify;

2-31 (5) a depository becomes insolvent; or

2-32 (6) a new depository is selected because of the
2-33 failure of the regular depository to execute a new bond under
2-34 Section 117.057.

2-35 SECTION 5. Section 117.118, Local Government Code, is
2-36 amended to read as follows:

2-37 Sec. 117.118. APPLICATION OF COUNTY DEPOSITORY LAW.
2-38 Matters regarding special depositories for the registry fund are
2-39 subject to the same provisions as those prescribed by Chapter 116
2-40 regarding county depositories, including Sections 116.026 and
2-41 116.028.

2-42 SECTION 6. This Act takes effect immediately if it receives
2-43 a vote of two-thirds of all the members elected to each house, as
2-44 provided by Section 39, Article III, Texas Constitution. If this
2-45 Act does not receive the vote necessary for immediate effect, this
2-46 Act takes effect September 1, 2023.

2-47 * * * * *