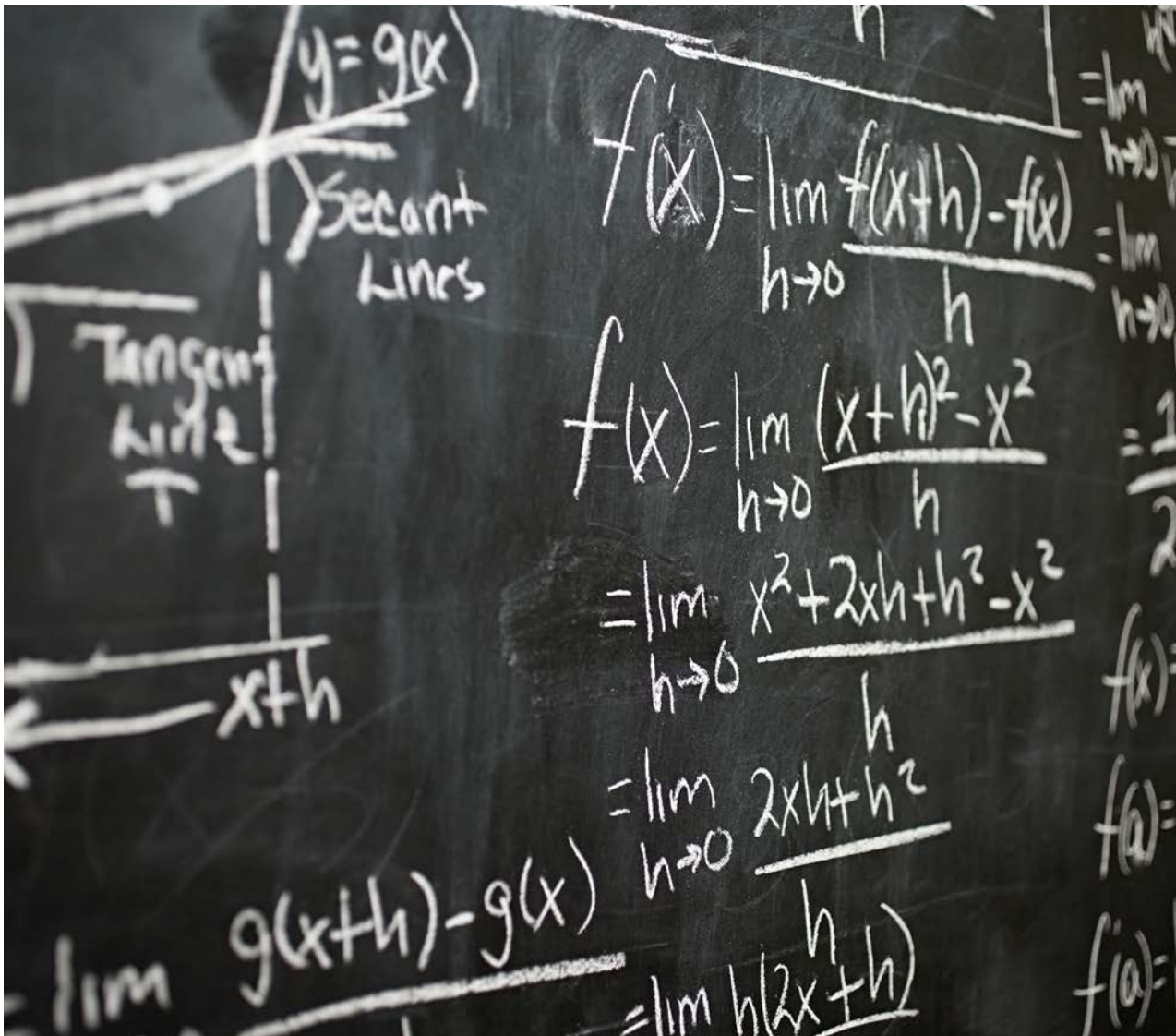


2023 TEXAS STATUTES LOCAL GOVERNMENT

TITLE 4 – FINANCES

SUBTITLE B – COUNTY FINANCES

CHAPTER III – COUNTY BUDGET



**KENT REEVES | ERATH COUNTY
PRESENTATION NOTES | SPRING 2024**

COUNTY BUDGET

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Subchapter A

Sec. 111.001. SUBCHAPTER APPLICABLE TO COUNTIES WITH POPULATION OF 225,000 OR LESS; EXCEPTION. This subchapter applies only to a county that has a population of 225,000 or less and that does not operate under Subchapter C.

Sec. 111.002. COUNTY JUDGE AS BUDGET OFFICER. The county judge serves as the budget officer for the commissioners court of the county.

Sec. 111.003. ANNUAL BUDGET REQUIRED. (a) Not later than August 15, the county judge, assisted by the county auditor or county clerk, shall prepare a budget to cover all proposed expenditures of the county government for the succeeding fiscal year.

(b) A proposed budget that will require raising more revenue from property taxes than in the previous year must contain a cover page with the following statement in 18-point or larger type: "This budget will raise more total property taxes than last year's budget by (insert total dollar amount of increase and percentage increase), and of that amount (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll) is tax revenue to be raised from new property added to the tax roll this year."

Sec. 111.004. ITEMIZED BUDGET; CONTENTS. (a) The county judge shall itemize the budget to allow as clear a comparison as practicable between expenditures included in the proposed budget and actual expenditures for the same or similar purposes that were made for the preceding fiscal year. The budget must show as definitely as possible each of the projects for which an appropriation is established in the budget and the estimated amount of money carried in the budget for each project.

(b) The budget must contain a complete financial statement of the county that shows:

- (1) the outstanding obligations of the county;
- (2) the cash on hand to the credit of each fund of the county government;
- (3) the funds received from all sources during the preceding fiscal year;
- (4) the funds available from all sources during the ensuing fiscal year;

(5) the estimated revenues available to cover the proposed budget; and

(6) the estimated tax rate required to cover the proposed budget.

(c) In preparing the budget, the county judge shall estimate the revenue to be derived from taxes to be levied and collected in the succeeding fiscal year and shall include that revenue in the estimate of funds available to cover the proposed budget.

Sec. 111.005. INFORMATION FURNISHED BY COUNTY OFFICERS. (a) In preparing the budget, the county judge may require any county officer to furnish existing information necessary for the judge to properly prepare the budget.

(b) If a county officer fails to provide the information as required by the county judge, the county judge may request the commissioners court to issue an order:

(1) directing the county officer to produce the required information; and

(2) prescribing the form in which the county officer must produce the information.

Sec. 111.006. PROPOSED BUDGET FILED WITH COUNTY CLERK; PUBLIC INSPECTION.

(a) Not later than August 15, the county judge shall file a copy of the proposed budget with the county clerk.

(b) The copy of the proposed budget shall be available for inspection by any person. If the county maintains an Internet website, the county clerk shall take action to ensure that the proposed budget is posted on the website.

Sec. 111.007. PUBLIC HEARING ON PROPOSED BUDGET. (a) The commissioners court shall hold a public hearing on the proposed budget. Any person may attend and may participate in the hearing.

(b) The commissioners court shall hold the hearing not later than the 25th day after the day the budget is filed under Section 111.006 but before the commissioners court adopts the county's ad valorem tax rate for the current tax year.

(c) The commissioners court shall give public notice that it will consider the proposed budget on the date of the hearing. The notice must state the date, time, and location of the hearing. The notice must include, in type of a size at least equal to the type used for other

items in the notice, any statement required to be included in the proposed budget under Section 111.003(b). The commissioners court shall give notice under this subsection:

- (1) not earlier than the 30th day before the date of the hearing; and
- (2) not later than the 10th day before the date of the hearing.

Sec. 111.0075. SPECIAL NOTICE BY PUBLICATION FOR BUDGET HEARING. (a) A commissioners court shall publish notice before a public hearing relating to a budget in at least one newspaper of general circulation in the county.

(b) Notice published under this section is in addition to notice required by other law. Notice under this section shall be published not earlier than the 30th or later than the 10th day before the date of the hearing.

(c) This section does not apply to a commissioners court required by other law to give notice by publication of a hearing on a budget.

(d) Notice under this section must include, in type of a size at least equal to the type used for other items in the notice, any statement required to be included in the proposed budget under Section 111.003(b).

Sec. 111.008. ADOPTION OF BUDGET. (a) At the conclusion of the public hearing, the commissioners court shall take action on the proposed budget. A vote to adopt the budget must be a record vote.

(b) The commissioners court may make any changes in the proposed budget that it considers warranted by the law and required by the interest of the taxpayers.

(c) Adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the commissioners court to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26, Tax Code, or other law.

(d) An adopted budget must contain a cover page that includes:

(1) one of the following statements in 18-point or larger type that accurately describes the adopted budget:

(A) "This budget will raise more revenue from property taxes than last year's budget by an amount of (insert total dollar amount of increase), which is a (insert percentage increase) percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(B) "This budget will raise less revenue from property taxes than last year's budget by an amount of (insert total dollar amount of decrease), which is a (insert percentage decrease) percent decrease from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll)."; or

(C) "This budget will raise the same amount of revenue from property taxes as last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is (insert amount computed by multiplying the proposed tax rate by the value of new property added to the roll).";

(2) the record vote of each member of the commissioners court by name voting on the adoption of the budget;

(3) the county property tax rates for the preceding fiscal year, and each county property tax rate that has been adopted or calculated for the current fiscal year, including:

(A) the property tax rate;

(B) the no-new-revenue tax rate;

(C) the no-new-revenue maintenance and operations tax rate;

(D) the voter-approval tax rate; and

(E) the debt rate; and

(4) the total amount of county debt obligations.

(e) In this section, "debt obligation" means an issued public security as defined by Section 1201.002, Government Code, secured by property taxes.

Sec. 111.009. APPROVED BUDGET FILED WITH COUNTY CLERK: POSTING ON INTERNET. (a) On final approval of the budget by the commissioners court, the court shall:

(1) file the budget with the county clerk; and

(2) if the county maintains an Internet website, take action to ensure that:

(A) a copy of the budget, including the cover page, is posted on the website; and

(B) the record vote described by Section 111.008(d)(2) is posted on the website at least until the first anniversary of the date the budget is adopted.

(b) The commissioners court shall take action to ensure that the cover page of the budget is amended to include the property tax rates required by Section 111.008(d)(3) for the current fiscal year if the rates are not included on the cover page when the budget is filed with the county clerk. The commissioners court shall file an amended cover page with the county clerk and take action to ensure that the amended cover page is posted on the county's website.

Sec. 111.010. LEVY OF TAXES AND EXPENDITURE OF FUNDS UNDER BUDGET; EMERGENCY EXPENDITURE; BUDGET TRANSFER. (a) The commissioners court may levy taxes only in accordance with the budget.

(b) After final approval of the budget, the commissioners court may spend county funds only in strict compliance with the budget, except in an emergency.

(c) The commissioners court may 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. 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.

(d) The commissioners court by order may amend the budget to transfer an amount budgeted for one item to another budgeted item without authorizing an emergency expenditure.

Sec. 111.0105. BUDGET FOR EXPENDITURES FROM PROCEEDS OF BONDS OR OTHER OBLIGATIONS. If a county bond issue is submitted at an election or other authorized obligations are to be issued against future revenues and a tax is to be levied for those obligations, the commissioners court shall adopt a budget of proposed expenditures. On receipt of the proceeds of the sale of the bonds or other obligations, the county may make expenditures from the proceeds in the manner provided by this subchapter for expenditures for general purposes.

Sec. 111.0106. SPECIAL BUDGET FOR GRANT OR AID MONEY. The county auditor or the county judge in a county that does not have a county auditor shall 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. On certification, the court shall adopt a special budget for the limited purpose of spending the grant or aid money for its intended purpose.

Sec. 111.0107. SPECIAL BUDGET FOR REVENUE FROM INTERGOVERNMENTAL CONTRACTS. The county auditor or the county judge in a county that does not have a county auditor shall 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. On certification, the court shall adopt a special budget for the limited purpose of spending the revenue from intergovernmental contracts for its intended purpose.

Sec. 111.0108. SPECIAL BUDGET FOR REVENUE RECEIVED AFTER START OF FISCAL YEAR. The county auditor or the county judge in a county that does not have a county auditor shall certify to the commissioners court the receipt of revenue from a new source not anticipated before the adoption of the budget and not included in the budget for that fiscal year. On certification, the court may adopt a special budget for the limited purpose of spending the revenue for general purposes or for any of its intended purposes.

Sec. 111.011. CHANGES IN BUDGET FOR COUNTY PURPOSES. This subchapter does not prevent the commissioners court from making changes in the budget for county purposes.

Sec. 111.012. PENALTY. (a) An officer, employee, or official of a county government who refuses to comply with this subchapter commits an offense.

(b) An offense under this section is a misdemeanor punishable by a fine of not less than \$100 or more than \$1,000, confinement in the county jail for not less than one month or more than one year, or by both fine and confinement.

Sec. 111.013. LIMITATION ON BUDGET OF COUNTY AUDITOR. An increase from one fiscal year to the next in the amount budgeted for expenses of the county auditor's office or the salary of an assistant auditor shall not exceed five (5) percent without approval of the commissioners court.

Sec. 111.014. RESERVE ITEM. Notwithstanding any other provision of this subchapter, a county may establish in the budget a reserve or contingency item. The item must be included in the itemized budget under Section 111.004(a) in the same manner as a project for which an appropriation is established in the budget.

Kent Reeves
Erath County

254-965-1425 Office

817-559-9461 Cell

auditor@co.erath.tx.us

References -

<https://law.justia.com/codes/texas/local-government-code/title-4/subtitle-b/chapter-111/subchapter-a/>