

BILL ANALYSIS

H.B. 2362
By: Harris
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In the second half of 2020, several municipalities across the country, including in Texas, began "defunding" their police departments in an effort to address policing issues in communities. In August of that year, the Austin City Council voted to reduce the city's police budget by one-third. These cuts accompanied an annual increase in the number of homicides and aggravated assaults in the city. The state government has an obligation to help ensure public safety across the state, including in cities like Austin that willingly choose to defund their police department and place citizens at an increased risk of crime. H.B. 2362 seeks to encourage municipalities and counties either not to defund the police or, if they have already taken steps to do so, to reverse those actions and appropriately fund their police departments. To accomplish these aims, the bill establishes what constitutes a "defunding local government" and prohibits a municipality or county from increasing expenditures from all available sources of revenue from one fiscal year to the next for as long as it remains a defunding local government.

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

H.B. 2362 amends the Local Government Code to classify a municipality or county that adopts a budget for a fiscal year that, in comparison to the preceding fiscal year, reduces at least one of the following with respect to the municipality's or county's law enforcement agency as a defunding local government if the criminal justice division of the governor's office issues a written determination finding that the municipality or county has taken that action:

- the appropriation to the agency;
- the number of peace officers the agency is authorized to employ;
- funding for peace officer overtime compensation; or
- funding for the recruitment and training of new peace officers to fill each vacant peace officer position.

The bill requires the division, in making a determination of whether a municipality or county is a defunding local government according to the budget adopted for the first fiscal year beginning on or after September 1, 2021, to compare the funding and personnel in that budget to the funding and personnel in the budget of the preceding fiscal year or the second preceding fiscal year, whichever is greater.

H.B. 2362 establishes that a municipality or county is considered to be a defunding local government until the division issues a written determination finding that the municipality or county has reversed the reductions, adjusted for inflation. The bill requires the division to compute and publish in the Texas Register the inflation rate used to make that determination each state fiscal year using a price index that accurately reports changes in the purchasing power of the dollar for local governments in Texas.

H.B. 2362 establishes a limit on the annual expenditures by a municipality or county that is considered a defunding local government. The municipality's or county's total expenditures from all available sources of revenue in a fiscal year may not exceed its expenditures from all available sources of revenue in the fiscal year immediately preceding the fiscal year during which the division issued the written determination declaring the municipality or county to be a defunding local government. Revenue received from the issuance of bonds approved by voters or from a grant, donation, or gift is not considered an available source of revenue for purposes of this limitation. A municipality or county is no longer considered to be a defunding local government for purposes of this limitation when the division issues a written determination finding that the applicable reductions have been reversed.

EFFECTIVE DATE

September 1, 2021.