

General changes for municipal purposes

Section 102.010 of the Local Government Code allows a city's governing body to make changes to the budget for municipal purposes at any time.

Requirements for general revisions

Equal dignity rule: A budget, once adopted by ordinance, can only be amended by another ordinance, not by a resolution or motion. This is known as the "equal dignity rule".

Balancing the budget: Any revision must still maintain a balanced budget. A city cannot adopt a budget or an amendment that causes a deficit without a plan for covering the shortfall.

Transfers: Many cities authorize the city manager to make small transfers within an operating fund or between line items without council action. However, the total expenditures cannot exceed the lawfully adopted appropriations for the fund.

Recording: After an amending ordinance is adopted, a copy of the amendment must be filed with the municipal clerk and the county clerk.

In Texas, the procedure for revising a municipal budget is governed by state law and local ordinances. Amendments to a city's budget must be done through an official ordinance passed by the governing body, not a resolution or motion. The exact process can vary slightly by city, but it must include authorization from the city council and proper filing of the revised documents.

Steps for a municipal budget revision

Identify the need for an amendment. A budget amendment is required for any significant change, such as unforeseen emergencies, new project funding, or reallocating funds between departments. Texas Local Government Code authorizes emergency expenditures for "grave public necessity" to meet unusual and unforeseen conditions.

Request the amendment. The department head initiates the process by submitting a formal request for a budget amendment to the city's budget officer or finance director. The request should detail the necessity for the change.

Review the request. The city manager, budget officer, and finance department review the request, along with supporting documentation. They determine if the request is in line with the city's overall financial health and policies.

Draft a budget amendment ordinance. Unlike the initial budget, which can be revised by the governing body, a formal amendment must be adopted by an ordinance, as Texas law requires an act of "equal dignity" for the change. The draft ordinance will specify the budgetary changes and, if an emergency, will include a finding of "grave public necessity".

Schedule the council vote. The proposed budget amendment ordinance is placed on the agenda for an upcoming city council meeting for a public vote.

Council consideration and vote. The city council will consider the proposed ordinance. They have the authority to make changes they deem warranted by law or the best interest of the taxpayers. The vote to adopt the budget amendment must be a record vote.

Filing the amendment. After the ordinance is officially adopted, the city secretary must file a copy of the ordinance and the amended budget with both the municipal clerk and the county clerk.

Update the city's records. A true copy of the approved budget amendment must be attached to the original budget on file with the municipal clerk. If the change affects property tax rates, the cover page of the budget must also be amended and posted on the municipality's website.

Important legal considerations

"Equal Dignity" Rule: The amendment must be adopted through a formal ordinance, mirroring the legal weight of the original budget adoption. Motions or resolutions are not sufficient.

Emergency Amendments: For emergency expenditures, the ordinance must specifically state the "grave public necessity" and the unusual and unforeseen conditions that led to the amendment.

Transparency: Filing the amendment with the municipal and county clerks and updating the city's website ensures that the public has access to the changes.