

Amend CSSB 1952 (Senate committee report) as follows:

(1) In SECTION 30.02 of the bill, in added Section 2252.904, Government Code (page 34, line 52 through page 35, line 22), by striking Subsections (a) and (b) and substituting the following:

(a) In this section:

(1) "Branch" means a location of a financial institution, other than the financial institution's home office, at which the financial institution does business.

(2) "Certified audit" means an audit of the company's books, records, and accounts and the company's systems of internal control performed by an independent certified public accountant in accordance with generally accepted auditing standards.

(3) "Company" means a corporation, partnership, limited partnership, registered limited liability partnership, trust, association, joint stock company, joint venture, limited liability company, or other form of business organization. The term does not include a sole proprietorship or individual.

(4) "County in which the financial institution does business" means any county in which the financial institution has a branch or home office.

(5) "Financial irregularity" means an intentional misstatement or omission of information relating to a financial transaction or matter. The term includes embezzlement, fraud, and the falsification of records to misappropriate assets.

(6) "Independent certified public accountant" means a certified public accountant who:

(A) is not affiliated with, is not an employee, principal, or direct or indirect owner of, and is not in any way controlled by the audited company; and

(B) meets independence standards adopted by appropriate standard-setting or regulatory entities.

(7) "State governmental entity" means:

(A) a board, commission, department, office, or other agency in the executive branch of state government created under the constitution or a statute of the state, including an institution of higher education as defined by Section 61.003, Education Code;

(B) the legislature or a legislative agency; or
(C) the Texas Supreme Court, the Texas Court of Criminal Appeals, a court of appeals, a state judicial agency, or the State Bar of Texas.

(b) A company, including a financial institution, that enters into a contract with a state governmental entity that involves the expenditure of state funds of more than \$1 million or the deposit of state funds of \$1 million or more shall:

(1) immediately report to the entity any financial irregularity relating to the contract or the company's financial position that is detrimental to the interest of the entity;

(2) annually during the contract period submit to the entity a certified audit of the company's operations, except as provided by Subsection (g); and

(3) if the company is a financial institution, file:

(A) an itemized report covering the preceding year stating separately for each county in which the financial institution does business, the financial institution's community reinvestment activities, mortgage loan activities and practices, and compliance with fair lending standards in the respective county; and

(B) any other related information as specified by the comptroller.

(2) In SECTION 30.02 of the bill, in added Section 2252.904(e), Government Code (page 35, line 31), between "(b)(2)" and "is", insert "or (b)(3)".

(3) In SECTION 30.02 of the bill, immediately following added Section 2252.904(g), Government Code (page 35, between lines 44 and 45), insert the following:

(h) For purposes of Subsection (b), the amount of expenditures or deposit of state funds with respect to a single financial institution means the aggregate amount of those expenditures or deposits at the financial institution's home office and at each branch of the financial institution in this state.