

AN ACT

relating to increasing governmental efficiency through the reduction of duplicative reporting and auditing requirements.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 783, Government Code, is amended by adding Section 783.010 to read as follows:

Sec. 783.010. STATE AGENCY REPORTING AND AUDITING COORDINATION. (a) A state agency that requires reports of local governments shall, during the second year of each state biennium, conduct a zero-based review of reporting requirements imposed on local governments and shall simplify the reporting requirements and determine and eliminate unnecessary, duplicative, or overly burdensome reporting requirements.

(b) Based on the results of these reviews, the state agency shall recommend to the legislature statutory changes to minimize cost, duplication, and paperwork and to maximize the efficient and effective use of public funds.

(c) A state agency may not require local governments to submit reports on items not required by law, rule, or performance measures.

(d) To achieve greater efficiency in the use of governmental funds expended on governmental audits, a state agency, except as shown necessary to further protect public funds, shall:

(1) accept, and not duplicate with state resources, an

1 independent audit of a local government if it is performed by a
2 certified public accountant in accordance with generally accepted
3 governmental auditing standards and the standards of the
4 Governmental Accounting Standards Board;

5 (2) at the time of approval of a contract with or a
6 grant to a local government, specify any special or unique auditing
7 requirements that must be performed by the local government's
8 independent auditors; and

9 (3) as may be allowed by law or rule, provide in the
10 contract or grant award for the payment of costs incurred by the
11 local government in complying with any special or unique auditing
12 requirements not required by generally accepted governmental
13 auditing standards or the standards of the Governmental Accounting
14 Standards Board.

15 (e) Nothing in this section shall be construed to limit the
16 authority of a state agency to monitor or audit a local government's
17 expenditure of state or federal funds received via contract or
18 grant.

19 (f) The state auditor may audit for compliance with these
20 provisions.

21 SECTION 2. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2003.

H.B. No. 3024

President of the Senate

Speaker of the House

I certify that H.B. No. 3024 was passed by the House on May 2, 2003, by the following vote: Yeas 126, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3024 was passed by the Senate on May 28, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor