

By: Raymond

H.B. No. 3498

Substitute the following for H.B. No. 3498:

By: Marchant

C.S.H.B. No. 3498

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a provision in certain contracts entered into by state  
3 agencies.

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

5 SECTION 1. Subchapter A, Chapter 2262, Government Code, is  
6 amended by adding Section 2262.003 to read as follows:

7 Sec. 2262.003. REQUIRED CONTRACT PROVISION RELATING TO  
8 AUDITING. (a) Each state agency shall include in each of its  
9 contracts a term that provides that:

10 (1) the state auditor may conduct an audit or  
11 investigation of any entity receiving funds from the state directly  
12 under the contract or indirectly through a subcontract under the  
13 contract; and

14 (2) acceptance of funds directly under the contract or  
15 indirectly through a subcontract under the contract acts as  
16 acceptance of the authority of the state auditor, under the  
17 direction of the Legislative Audit Committee, to conduct an audit  
18 or investigation in connection with those funds.

19 (b) The state auditor shall provide assistance to a state  
20 agency in developing the contract provision.

21 SECTION 2. The change in law made by this Act:

22 (1) applies only in relation to a state contract  
23 entered into on or after the effective date of this Act; and

24 (2) does not affect any authority under other law to

1 conduct an audit or investigation in relation to a state contract  
2 entered into before the effective date of this Act.

3 SECTION 3. This Act takes effect immediately if it receives  
4 a vote of two-thirds of all the members elected to each house, as  
5 provided by Section 39, Article III, Texas Constitution. If this  
6 Act does not receive the vote necessary for immediate effect, this  
7 Act takes effect September 1, 2003.