

By: Raymond

H.B. No. 3498

A BILL TO BE ENTITLED

1 AN ACT

2 Relating to a provision in certain contracts entered into by  
3 governmental bodies.

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

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

7 (a) Each unit of state government that enters into a  
8 contract to which this chapter applies shall include as a term of  
9 the contract a provision stating that the State Auditor may conduct  
10 an audit or investigation of any entity receiving funds from the  
11 state directly under a contract with the state or indirectly  
12 through a subcontract under a state contract, and that acceptance  
13 of funds from the state acts as acceptance of the authority of the  
14 state auditor, under the direction of the Legislative Audit  
15 Committee, to conduct an audit or investigation in connection with  
16 those funds.

17 (b) The state auditor shall provide assistance to a unit of  
18 state government in developing the contract provision required by  
19 this section.

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

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

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

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

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