

By: Madla

S.B. No. 1300

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the oversight of regional planning commissions by the
3 state auditor.

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

5 SECTION 1. The heading to Section 391.009, Local Government
6 Code, is amended to read as follows:

7 Sec. 391.009. ROLE OF STATE AUDITOR [~~GOVERNOR~~] AND STATE
8 AGENCIES.

9 SECTION 2. Sections 391.009(a) and (b), Local Government
10 Code, are amended to read as follows:

11 (a) To protect the public interest or promote the efficient
12 use of public funds, the state auditor [~~governor~~] shall adopt:

13 (1) rules relating to the operation and oversight of a
14 commission;

15 (2) rules relating to the receipt or expenditure of
16 funds by a commission, including:

17 (A) restrictions on the expenditure of any
18 portion of commission funds for certain classes of expenses; and

19 (B) restrictions on the maximum amount of or
20 percentage of commission funds that may be expended on a class of
21 expenses, including indirect costs or travel expenses;

22 (3) annual reporting requirements for a commission;

23 (4) annual audit requirements on funds received or
24 expended by a commission from any source;

1 (5) rules relating to the establishment and use of
2 standards by which the productivity and performance of each
3 commission can be evaluated; and

4 (6) guidelines that commissions and governmental
5 units shall follow in carrying out the provisions of this chapter
6 relating to review and comment procedures.

7 (b) The state auditor [~~governor~~] and state agencies shall
8 provide technical information and assistance to the members and
9 staff of a commission to increase, to the greatest extent feasible,
10 the capability of the commission to discharge its duties and
11 responsibilities prescribed by this chapter and to ensure
12 compliance with the rules, requirements, and guidelines adopted
13 under Subsection (a).

14 SECTION 3. Section 391.0095, Local Government Code, is
15 amended to read as follows:

16 Sec. 391.0095. AUDIT AND REPORTING REQUIREMENTS. (a) The
17 audit and reporting requirements under Section 391.009(a) shall
18 include a requirement that a commission annually report to the
19 state auditor [~~governor~~]:

20 (1) the amount and source of funds received by the
21 commission;

22 (2) the amount and source of funds expended by the
23 commission;

24 (3) an explanation of any method used by the
25 commission to compute an expense of the commission, including
26 computation of any indirect cost of the commission;

27 (4) a report of the commission's productivity and

1 performance during the annual reporting period;

2 (5) a projection of the commission's productivity and
3 performance during the next annual reporting period;

4 (6) the results of an audit of the commission's affairs
5 prepared by an independent certified public accountant; and

6 (7) a report of any assets disposed of by the
7 commission.

8 (b) The annual audit of a commission may be commissioned by
9 the state auditor's [~~governor's~~] office or by the commission, as
10 determined by the state auditor's [~~governor's~~] office, and shall be
11 paid for from the commission's funds.

12 (c) A commission shall submit any other report or an audit
13 required by the state auditor [~~governor~~].

14 (d) If a commission fails to submit a report or audit
15 required under this section or is determined by the state auditor
16 [~~governor~~] to have failed to comply with a rule, requirement, or
17 guideline adopted under Section 391.009, the state auditor
18 [~~governor~~] may, until the failure is corrected:

19 (1) appoint a receiver to operate or oversee the
20 commission; or

21 (2) withhold any appropriated funds of the commission.

22 (e) A commission shall send to the state auditor, the
23 governor, the comptroller, and the Legislative Budget Board a copy
24 of each report and audit required under this section or under
25 Section 391.009. The state auditor shall review each audit and
26 report and must be given access to working papers and other
27 supporting documentation that the state auditor determines is

1 necessary to perform the review. If the state auditor finds
2 significant issues involving the administration or operation of a
3 commission or its programs, the state auditor shall report its
4 findings and related recommendations to the legislative audit
5 committee, the governor, and the commission. The state auditor
6 [~~governor~~] and the legislative audit committee may direct the
7 commission to prepare a corrective action plan or other response to
8 the state auditor's findings or recommendations. The legislative
9 audit committee may direct the state auditor to perform any
10 additional audit or investigative work that the committee
11 determines is necessary.

12 SECTION 4. Section 391.0115(f), Local Government Code, is
13 amended to read as follows:

14 (f) In this section, "indirect costs" means costs that are
15 not directly attributable to a single action of a commission. The
16 state auditor [~~governor~~] shall use the federal Office of Management
17 and Budget circulars A-87 and A-122 or use any rules relating to the
18 determination of indirect costs adopted under Chapter 783,
19 Government Code, in administering this section.

20 SECTION 5. Section 391.0117(e), Local Government Code, is
21 amended to read as follows:

22 (e) A commission shall submit to the state auditor
23 [~~governor~~] the commission's salary schedule, including the
24 salaries of all exempt positions, not later than the 45th day before
25 the date of the beginning of the commission's fiscal year. If the
26 state auditor [~~governor~~] objects to a commission's salary schedule
27 or a portion of the schedule, the portion of the schedule that the

1 state auditor [~~governor~~] objects to may not go into effect until
2 revisions or explanations are given that are satisfactory to the
3 state auditor [~~governor~~] and the state auditor [~~governor~~] approves
4 that portion of the schedule.

5 SECTION 6. Section 391.013(a), Local Government Code, is
6 amended to read as follows:

7 (a) With the advance approval of the state auditor
8 [~~governor~~], a commission that borders another state may:

9 (1) join with a similar commission or planning agency
10 in a contiguous area of the bordering state to form an interstate
11 commission; or

12 (2) permit a similar commission or planning agency in
13 a contiguous area of the bordering state to participate in planning
14 functions.

15 SECTION 7. Section 391.014, Local Government Code, is
16 amended to read as follows:

17 Sec. 391.014. INTERNATIONAL AREAS. With the advance
18 approval of the state auditor [~~governor~~], a commission that borders
19 the Republic of Mexico may spend funds in cooperation with an
20 agency, constituent state, or local government of the Republic of
21 Mexico for planning studies encompassing areas lying both in this
22 state and in contiguous territory of the Republic of Mexico.

23 SECTION 8. (a) On the effective date of this Act:

24 (1) a rule, requirement, or guideline adopted by the
25 governor relating to the oversight of regional planning commissions
26 becomes a rule, requirement, or guideline of the state auditor's
27 and remains in effect until amended or repealed by the state

1 auditor; and

2 (2) appropriated funds withheld from a regional
3 planning commission by the governor under Section 391.0095, Local
4 Government Code, are transferred to the state auditor.

5 (b) A request for advance approval by the governor under
6 Section 391.013 or 391.014, Local Government Code, that is pending
7 on the effective date of this Act must be submitted to the state
8 auditor for approval.

9 SECTION 9. This Act takes effect September 1, 2003.