

1-1 By: Madla S.B. No. 1300
1-2 (In the Senate - Filed March 12, 2003; March 19, 2003, read
1-3 first time and referred to Committee on International Relations and
1-4 Trade; May 12, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 4, Nays 0; May 12, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1300 By: Lucio

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the oversight of regional planning commissions by the
1-11 governor and the state auditor.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. The heading to Section 391.009, Local Government
1-14 Code, is amended to read as follows:

1-15 Sec. 391.009. ROLE OF STATE AUDITOR, GOVERNOR, AND STATE
1-16 AGENCIES.

1-17 SECTION 2. Section 391.009, Local Government Code, is
1-18 amended by amending Subsection (a) and adding Subsections (a-1) and
1-19 (a-2) to read as follows:

1-20 (a) To protect the public interest and ~~or~~ promote the
1-21 efficient use of public funds, the governor, with the technical
1-22 assistance of the state auditor, may draft and ~~shall~~ adopt:

1-23 (1) rules relating to the operation and oversight of a
1-24 commission;

1-25 (2) rules relating to the receipt or expenditure of
1-26 funds by a commission, including:

1-27 (A) restrictions on the expenditure of any
1-28 portion of commission funds for certain classes of expenses; and

1-29 (B) restrictions on the maximum amount of or
1-30 percentage of commission funds that may be expended on a class of
1-31 expenses, including indirect costs or travel expenses;

1-32 (3) annual reporting requirements for a commission;

1-33 (4) annual audit requirements on funds received or
1-34 expended by a commission from any source;

1-35 (5) rules relating to the establishment and use of
1-36 standards by which the productivity and performance of each
1-37 commission can be evaluated; and

1-38 (6) guidelines that commissions and governmental
1-39 units shall follow in carrying out the provisions of this chapter
1-40 relating to review and comment procedures.

1-41 (a-1) The governor may draft and adopt rules under
1-42 Subsection (a) using negotiated rulemaking procedures under
1-43 Chapter 2008, Government Code.

1-44 (a-2) Based on a risk assessment performed by the state
1-45 auditor and subject to the legislative audit committee's approval
1-46 for inclusion in the audit plan under Section 321.013, Government
1-47 Code, the state auditor's office shall assist the governor as
1-48 provided by Subsection (a).

1-49 SECTION 3. Section 391.0095, Local Government Code, is
1-50 amended to read as follows:

1-51 Sec. 391.0095. AUDIT AND REPORTING REQUIREMENTS. (a) The
1-52 audit and reporting requirements under Section 391.009(a) shall
1-53 include a requirement that a commission annually report to the
1-54 state auditor ~~governor~~:

1-55 (1) the amount and source of funds received by the
1-56 commission;

1-57 (2) the amount and source of funds expended by the
1-58 commission;

1-59 (3) an explanation of any method used by the
1-60 commission to compute an expense of the commission, including
1-61 computation of any indirect cost of the commission;

1-62 (4) a report of the commission's productivity and
1-63 performance during the annual reporting period;

2-1 (5) a projection of the commission's productivity and
2-2 performance during the next annual reporting period;

2-3 (6) the results of an audit of the commission's affairs
2-4 prepared by an independent certified public accountant; and

2-5 (7) a report of any assets disposed of by the
2-6 commission.

2-7 (b) The annual audit of a commission may be commissioned
2-8 ~~[by the governor's office or]~~ by the commission or at the direction
2-9 of the governor's office, as determined by the governor's office,
2-10 and shall be paid for from the commission's funds.

2-11 (c) A commission shall submit any other report or an audit
2-12 to the state auditor and ~~[required by]~~ the governor.

2-13 (d) If a commission fails to submit a report or audit
2-14 required under this section or is determined by the state auditor
2-15 ~~[governor]~~ to have failed to comply with a rule, requirement, or
2-16 guideline adopted under Section 391.009, the state auditor shall
2-17 report the failure to the governor's office. The governor may,
2-18 until the failure is corrected:

2-19 (1) appoint a receiver to operate or oversee the
2-20 commission; or

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

2-22 (e) A commission shall send to the governor, the state
2-23 auditor, the comptroller, and the Legislative Budget Board a copy
2-24 of each report and audit required under this section or under
2-25 Section 391.009. Subject to a risk assessment performed by the
2-26 state auditor and to the legislative audit committee's approval for
2-27 inclusion in the audit plan under Section 321.013, Government Code,
2-28 the ~~[The]~~ state auditor may ~~[shall]~~ review each audit and report.
2-29 If the state auditor reviews an audit or report, the state auditor
2-30 ~~[and]~~ must be given access to working papers and other supporting
2-31 documentation that the state auditor determines is necessary to
2-32 perform the review. If the state auditor finds significant issues
2-33 involving the administration or operation of a commission or its
2-34 programs, the state auditor shall report its findings and related
2-35 recommendations to the legislative audit committee, the governor,
2-36 and the commission. The governor and the legislative audit
2-37 committee may direct the commission to prepare a corrective action
2-38 plan or other response to the state auditor's findings or
2-39 recommendations. The legislative audit committee may direct the
2-40 state auditor to perform any additional audit or investigative work
2-41 that the committee determines is necessary.

2-42 SECTION 4. Subsection (e), Section 391.0117, Local
2-43 Government Code, is amended to read as follows:

2-44 (e) A commission shall submit to the state auditor
2-45 ~~[governor]~~ the commission's salary schedule, including the
2-46 salaries of all exempt positions, not later than the 45th day before
2-47 the date of the beginning of the commission's fiscal year. If the
2-48 state auditor, subject to the legislative audit committee's
2-49 approval for inclusion in the audit plan under Section 321.013,
2-50 Government Code, has recommendations to improve ~~[governor objects~~
2-51 ~~to]~~ a commission's salary schedule or a portion of the schedule, the
2-52 state auditor shall report the recommendations to the governor's
2-53 office. The governor's office may not allow the portion of the
2-54 schedule for which ~~[that]~~ the state auditor has recommendations to
2-55 ~~[governor objects to may not]~~ go into effect until revisions or
2-56 explanations are given that are satisfactory to the governor based
2-57 on recommendations from the state auditor ~~[and the governor~~
2-58 ~~approves that portion of the schedule]~~.

2-59 SECTION 5. On the effective date of this Act, a rule,
2-60 requirement, or guideline adopted by the governor relating to the
2-61 oversight of regional planning commissions remains in effect until
2-62 amended or repealed by the governor.

2-63 SECTION 6. This Act takes effect September 1, 2003.

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