

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 5, 2003

TO: Honorable Kenny Marchant, Chair, House Committee on State Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB3498 by Raymond (Relating to a provision in certain contracts entered into by governmental bodies.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code by adding Section 2262.003. The new section would state that each unit of state government that enters into a contract to which this chapter applies shall include as a term of the contract a provision stating that the State Auditor may conduct an audit or investigation of any entity receiving funds from the state. This applies whether the contact is entered directly or indirectly through a subcontract under a state contract. The acceptance of funds from the state acts as acceptance of the authority of the State Auditor, which under the direction of the Legislative Audit Committee, is allowed to conduct an audit or investigation in connection with those funds. Also, the State Auditor shall provide assistance to a unit of state government in developing the contract provision required by this section.

The bill would take effect immediately upon receiving a two-thirds majority vote in both houses; otherwise, the bill would take effect September 1, 2003.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 308 State Auditor's Office

LBB Staff: JK, RR, MS