

## **BILL ANALYSIS**

H.B. 2801  
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Government Reform  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, the Comptroller of Public Accounts cannot recover overpayments made by state agencies for services rendered or for goods received from a vendor. As proposed, HB. 2801 would allow the Comptroller to contract with consultants to conduct audits of state agency expenditures in order to recover overpayments and lost discounts.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Comptroller of Public Accounts in SECTION 2 of this bill.

### **ANALYSIS**

H.B. 2801 amends the Government Code to allow state agencies to detect and collect overpayments as defined by the bill. The bill allows the Comptroller to contract with consultants to conduct recovery audits of overpayments, and sets forth what those contracts may provide, permit, or allow. H.B. 2801 also provides for the recovery consultant's handling of confidential information involved in the recovery audit or recovery of an overpayment. The bill requires that the comptroller require recovery audits be performed on the payments to vendors made by each state agency that has total expenditures during a state fiscal biennium in an amount that exceeds \$100 million, and requires state agencies in question to provide all information necessary for the audit to be performed. The bill provides for exemptions for state agencies by the comptroller under certain circumstances. H.B. 2801 provides for the payment of contractors from the money recovered and requires the state to return to the federal government any federal money recovered. The bill also allows the Comptroller to make available to the Governor, the State Auditor's Office, and the Legislative Budget Board any report provided by the audit consultant, and requires that the report be provided within seven days of the receiving the report; the Comptroller is also required to provide the Legislature with a summary of the report.

### **EFFECTIVE DATE**

The Act takes immediate effect upon receiving the necessary vote; otherwise it takes effect September 1, 2005.