

By: Delisi

H.B. No. 905

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the powers and duties of the state auditor in connection
3 with state contracts.

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

5 SECTION 1. Section 2262.002, Government Code, is amended to
6 read as follows:

7 Sec. 2262.002. EXEMPTIONS. (a) Except as otherwise
8 provided, this [~~This~~] chapter does not apply to an institution of
9 higher education as defined by Section 61.003, Education Code.

10 (b) Except as otherwise provided, this [~~This~~] chapter does
11 not apply to contracts of the Texas Department of Transportation
12 that relate to highway construction or highway engineering.

13 SECTION 2. Section 2262.003, Government Code, is amended by
14 amending Subsection (a) and adding Subsection (c) to read as
15 follows:

16 (a) Each state agency shall include in each of its contracts
17 a term that provides that:

18 (1) the state auditor may conduct an audit or
19 investigation of any entity receiving funds from the state directly
20 under the contract or indirectly through a subcontract under the
21 contract; [~~and~~]

22 (2) acceptance of funds directly under the contract or
23 indirectly through a subcontract under the contract acts as
24 acceptance of the authority of the state auditor, under the

1 direction of the legislative audit committee, to conduct an audit
2 or investigation in connection with those funds; and

3 (3) an entity that is the subject of an audit or
4 investigation by the state auditor must provide the state auditor
5 with access to any information the state auditor considers relevant
6 to:

7 (A) evaluating the entity's performance under
8 the contract or subcontract;

9 (B) determining the state's rights or remedies
10 under the contract; or

11 (C) evaluating whether the entity has acted in
12 the best interest of the state.

13 (c) This section applies to all state agency contracts,
14 including contracts of:

15 (1) an institution of higher education, as that term
16 is defined by Section 61.003, Education Code; and

17 (2) the Texas Department of Transportation that relate
18 to highway construction or highway engineering.

19 SECTION 3. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2005.