

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 9, 2005

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3417 by Hughes (Relating to financial records and audits of certain charitable nonprofit corporations; providing a penalty.), **As Introduced**

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| <p>No significant fiscal implication to the State is anticipated.</p> |
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The bill would amend the Texas Non-Profit Corporation Act and Business Organization Code to change the standards and information required of an annual financial statement prepared and approved by the board of directors of a domestic nonprofit corporation; to require the audit of annual financial statements of certain charitable corporations by an independent certified public accountant; to require certain charitable corporations to appoint an audit committee; and to require the financial statements and audit reports of certain charitable corporations be made available for inspection by the Attorney General and the public within the deadlines established. Failure to have an audit conducted as prescribed is an offense punishable by a fine. It is anticipated that any costs to implement the provisions of the bill could be absorbed by existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 307 Secretary of State, 302 Office of the Attorney General

LBB Staff: JOB, JRO, MS, NR