

Amend **CSHB 4586** by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. STATE AUDITOR AUTHORITY: DISASTER RELIEF APPROPRIATIONS. An entity receiving funds under this Act appropriated for disaster relief, including an entity receiving funds appropriated in response to a natural disaster and a unit of local government receiving funds appropriated for transfer to and expenditure out of the disaster contingency fund, is subject to audit by the state auditor based on a risk assessment made by the state auditor in developing the annual audit plan under Chapter 321, Government Code. As part of the risk assessment of an entity, including a unit of local government, the state auditor may consider:

(1) the amount of money directly appropriated to an entity by this Act or received by a unit of local government out of money appropriated for transfer to and expenditure out of the disaster contingency fund by this Act;

(2) the amount of money reimbursed under a provision of this Act requiring that the general revenue fund or disaster contingency fund be reimbursed under certain circumstances; and

(3) the methodology used by an entity, including a unit of local government, to estimate a loss caused by a disaster.