

## **BILL ANALYSIS**

C.S.H.B. 1636  
By: Paxton  
Transportation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Certain toll project entities can secure and acquire rights-of-way and plan, design, construct, maintain, and operate transportation systems to reduce the burden and demands on the limited state resources available to the Texas Transportation Commission. However, certain recent reports indicate that public scrutiny over both construction contracts entered into by, and the financial condition of, certain entities has increased. C.S.H.B. 1636 seeks to address these concerns by requiring certain toll project entities to post an electronic checking account transaction register showing monthly expenses on their public Internet websites and by providing for annual audits of those entities.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1636 amends the Transportation Code to require a toll project entity to have an annual audit of the affairs of the entity prepared by an independent certified public accountant or a firm of independent certified public accountants.

C.S.H.B. 1636 requires a toll project entity to designate a person to maintain an electronic checking account transaction register for the entity's checking account and requires the register to be in a searchable, electronic spreadsheet format and be available without a fee for viewing and downloading by the public at all times on the entity's Internet website. The bill requires the entity to make the register available for public viewing or downloading not later than January 1, 2012, and requires the register to contain the information required by the bill's provisions with regard to each transaction occurring on or after September 1, 2011.

C.S.H.B. 1636 requires the register to include for each expense transaction from the entity's account the transaction amount, the name of the payee, and a statement describing the purpose of the expenditure. The bill prohibits an entity from including in the register a check issued to an entity employee in payment of salary, wages, or an employment stipend.

C.S.H.B. 1636 requires an entity to update the register at least once each month, not later than the 30th day after the closing date of the most recent monthly statement for the checking account, and to maintain each transaction or listing in the register on the entity's Internet website until the first anniversary of the date of the transaction or listing. The bill authorizes the person designated to maintain the register to consult with the comptroller of public accounts in developing the register.

C.S.H.B. 1636 establishes that, for the purposes of its provisions, "toll project entity" does not include the Texas Department of Transportation.

**EFFECTIVE DATE**

September 1, 2011.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 1636 differs from the original by requiring a toll project entity to have an annual audit of the affairs of the entity prepared by an independent certified public accountant or a firm of independent certified public accountants, whereas the original establishes that the financial transactions of a regional tollway authority created under the Regional Tollway Authority Act are subject to annual financial audit by the state auditor.

C.S.H.B. 1636 differs from the original by making the bill's provisions relating to an electronic checking account transaction register applicable to a toll project entity under Transportation Code provisions applicable to more than one type of toll project, whereas the original makes such register provisions applicable to a regional tollway authority organized under the Regional Tollway Authority Act. The substitute differs from the original by making conforming changes.

C.S.H.B. 1636 contains provisions not included in the original establishing that, for purposes of the substitute's provisions, "toll project entity" does not include the Texas Department of Transportation.