

By: McClendon

H.B. No. 1195

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the qualifications and duties of the chief financial  
3 officer, the internal auditor, and legal counsel of the Texas  
4 Department of Transportation.

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

6 SECTION 1. Subchapter A, Chapter 201, Transportation Code,  
7 is amended by adding Section 201.004 to read as follows:

8 Sec. 201.004. APPOINTING AUTHORITY; CONSIDERATION OF  
9 OUTSIDE APPLICANTS. (a) An appointment under this chapter for  
10 which the appointing authority is not specified shall be made by:

11 (1) the commission; or

12 (2) the commissioner of transportation if the  
13 commission has been replaced by a single commissioner.

14 (b) In making an appointment under this chapter, the  
15 appointing authority shall consider applicants from outside the  
16 department.

17 SECTION 2. Subchapter C, Chapter 201, Transportation Code,  
18 is amended by adding Sections 201.1075 and 201.1076 to read as  
19 follows:

20 Sec. 201.1075. CHIEF FINANCIAL OFFICER. (a) A chief  
21 financial officer shall be appointed for the department as provided  
22 by Section 201.004. The chief financial officer must:

23 (1) have at least one master's or doctoral degree; and

24 (2) be a certified public accountant who is licensed

1 and in good standing in this state.

2 (b) The chief financial officer shall oversee the  
3 department's financial activities, including:

4 (1) managing department debt;

5 (2) exploring new mechanisms to finance  
6 transportation projects;

7 (3) budgeting for pass-through toll projects and  
8 department contracts; and

9 (4) overseeing the project delivery office  
10 established under Section 201.1076.

11 (c) The chief financial officer may contract with experts  
12 and consultants to assist the department:

13 (1) in matters involving debt management,  
14 comprehensive development agreements, regional mobility  
15 authorities, toll roads, or public-private partnerships; and

16 (2) in exploring other mechanisms to finance  
17 transportation projects.

18 (d) The chief financial officer shall ensure that the  
19 department's financial activities are conducted in a transparent  
20 and reliable manner.

21 Sec. 201.1076. PROJECT DELIVERY OFFICE. The chief  
22 financial officer shall establish and oversee a project delivery  
23 office within the department to coordinate the activities of other  
24 department offices and personnel to accomplish the appointing  
25 authority's financial objectives and fulfill the appointing  
26 authority's financial reporting requirements.

27 SECTION 3. Section 201.108, Transportation Code, is amended

1 to read as follows:

2           Sec. 201.108. INTERNAL AUDITOR. (a) An [~~The commission~~  
3 ~~shall appoint an~~] internal auditor shall be appointed for the  
4 department as provided by Section 201.004. The auditor must:

5                   (1) have at least one master's or doctoral degree;

6                   (2) be a certified public accountant who is licensed  
7 and in good standing in this state;

8                   (3) be a certified internal auditor; and

9                   (4) have demonstrated experience in preparing  
10 financial statements and reports.

11           (b) The auditor shall:

12                   (1) report directly to the appointing authority  
13 [~~commission~~] on the conduct of department affairs;

14                   (2) administer and oversee compliance functions of the  
15 department; and

16                   (3) facilitate preparation of financial statements or  
17 reports required by law to be filed by the appointing authority.

18           SECTION 4. Section 201.401(b), Transportation Code, is  
19 amended to read as follows:

20           (b) A person may not act as general, outside, or retained  
21 counsel to the department if the person is required to register as a  
22 lobbyist under Chapter 305, Government Code, because of the  
23 person's activities for compensation on behalf of a profession  
24 related to the operation of the department. A person who acts as  
25 general counsel to the department must be licensed as an attorney in  
26 this state.

27           SECTION 5. The changes in law made by this Act to Sections

1 201.108 and 201.401, Transportation Code, in the qualifications of  
2 the internal auditor and the general counsel of the Texas  
3 Department of Transportation do not affect the entitlement of  
4 persons serving in those positions immediately before the effective  
5 date of this Act to continue to carry out the positions' functions  
6 for the remainder of the positions' term. The changes in law apply  
7 only to an internal auditor or general counsel appointed on or after  
8 the effective date of this Act. This Act does not prohibit a person  
9 who is serving as the internal auditor or general counsel on the  
10 effective date of this Act from being reappointed to that position  
11 if the person has the qualifications required for the position  
12 under Section 201.108 or 201.401, Transportation Code, as amended  
13 by this Act.

14 SECTION 6. This Act takes effect immediately if it receives  
15 a vote of two-thirds of all the members elected to each house, as  
16 provided by Section 39, Article III, Texas Constitution. If this  
17 Act does not receive the vote necessary for immediate effect, this  
18 Act takes effect September 1, 2011.