

BILL ANALYSIS

C.S.H.B. 2962
By: Harper-Brown
Government Efficiency & Reform
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties report that a commercial card program established by the comptroller of public accounts that allows state agencies to acquire and use credit cards or charge cards for procurement and travel purchases is working as intended, but it is underused. Consequently, the parties point out, the program does not provide the state with the projected level of savings, transparency, and purchasing power. The parties admit that there may be some instances in which there are valid reasons not to use credit or charge cards but argue that there also may be a large number of state agency transactions taking place in which the state is not obtaining the value that would be possible if the program were being used.

Under current law, state agencies are not required to use credit or charge cards for procurement and travel purposes, even in those instances in which use of a credit or charge card would be the most advantageous course of action for the state. C.S.H.B. 2962 seeks to improve savings, transparency, and purchasing power by imposing requirements related to such use of credit or charge cards.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts in SECTIONS 1 and 2 of this bill.

ANALYSIS

C.S.H.B. 2962 amends the Government Code to require the rules relating to the use of credit or charge cards by state agencies to pay for purchases, if the comptroller of public accounts adopts such rules as authorized by statute, to require a state agency in the executive branch of state government to use a credit or charge card to pay for all purchases unless the comptroller determines that another method of payment is more advantageous to the state and to prohibit an employee of such a state agency from using a personal credit or charge card to pay for the agency's purchases.

C.S.H.B. 2962 requires the rules adopted by the comptroller for the effective and efficient administration of statutory provisions relating to travel expenses for state officers and employees to require a state agency in the executive branch of state government that participates in a program administered by the comptroller that allows the agency to use a credit or charge card to pay for travel expenses to use the credit or charge card to pay for travel expenses required for agency travel, unless the comptroller determines that another method of payment is more advantageous to the state, and to prohibit an employee of the agency from using the employee's personal credit or charge card to pay for travel expenses required for agency travel.

C.S.H.B. 2962 requires a state agency, if the agency participates in a program administered by the comptroller that allows the agency to use a credit or charge card to purchase travel services, to use the credit or charge card to purchase travel services required for agency travel, unless the comptroller determines that another method of purchase is more advantageous to the state. The bill prohibits an employee of the agency from using the employee's personal credit or charge

card to purchase travel services required for agency travel.

C.S.H.B. 2962 does not apply to the office of the governor or any public technical institute, public junior college, public senior college or university, medical or dental unit, public state college, or other agency of higher education.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2962 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 403.023, Government Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) If the comptroller adopts rules authorized under Subsection (b), the rules must:

(1) require the state agency to use a credit or charge card to pay for all purchases unless the comptroller determines that another method of payment will result in greater cost savings to the state; and

(2) prohibit an employee of the state agency from using a personal credit or charge card to pay for the state agency's purchases.

No equivalent provision.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 403.023, Government Code, is amended by adding Subsections (b-1) and (b-2) to read as follows:

(b-1) Except as provided by Subsection (b-2), if the comptroller adopts rules authorized under Subsection (b), the rules must:

(1) require a state agency in the executive branch of state government to use a credit or charge card to pay for all purchases unless the comptroller determines that another method of payment is more advantageous to the state; and

(2) prohibit an employee of a state agency in the executive branch of state government from using a personal credit or charge card to pay for the state agency's purchases.

(b-2) Subsection (b-1) does not apply to:

(1) an institution of higher education as defined by Section 61.003, Education Code;

or
(2) the office of the governor.

SECTION 2. Section 660.021, Government Code, is amended to read as follows:

Sec. 660.021. RULES. (a) The comptroller shall adopt rules for the effective and efficient administration of this chapter and the travel provisions of the General Appropriations Act.

(b) Except as provided by Subsection (c), the rules adopted by the comptroller under this section must require that if a state agency in the executive branch of state government participates in a program administered by the comptroller that allows the agency to use a credit or charge card to pay for travel expenses:

(1) the agency shall use the credit or charge card to pay for travel expenses required for agency travel, unless the comptroller determines that another method of payment is more advantageous to the state; and

(2) an employee of the agency may not use the employee's personal credit or charge card to pay for travel expenses required for agency travel.

(c) Subsection (b) does not apply to:

(1) an institution of higher education as defined by Section 61.003, Education Code;
or

(2) the office of the governor.

SECTION 2. Subchapter B, Chapter 2171, Government Code, is amended by adding Section 2171.0521 to read as follows:

Sec. 2171.0521. PAYMENT FOR TRAVEL SERVICES WITH CREDIT OR CHARGE CARD. If a state agency participates in a program administered by the comptroller that allows the agency to use a credit or charge card to purchase travel services:

(1) the agency shall use the credit or charge card to purchase travel services required for agency travel, unless the comptroller determines that another method of purchase will result in greater cost savings to the state; and

(2) an employee of the agency may not use the employee's personal credit or charge card to purchase travel services required for agency travel.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

SECTION 3. Subchapter B, Chapter 2171, Government Code, is amended by adding Section 2171.0521 to read as follows:

Sec. 2171.0521. PAYMENT FOR TRAVEL SERVICES WITH CREDIT OR CHARGE CARD. (a) Except as provided by Subsection (b), if a state agency in the executive branch of state government participates in a program administered by the comptroller that allows the agency to use a credit or charge card to purchase travel services:

(1) the agency shall use the credit or charge card to purchase travel services required for agency travel, unless the comptroller determines that another method of purchase is more advantageous to the state; and

(2) an employee of the agency may not use the employee's personal credit or charge card to purchase travel services required for agency travel.

(b) This section does not apply to:

(1) an institution of higher education as defined by Section 61.003, Education Code;
or

(2) the office of the governor.

SECTION 4. Same as introduced version.