

By: Button, Nevárez

H.B. No. 28

Substitute the following for H.B. No. 28:

By: Johnson

C.S.H.B. No. 28

A BILL TO BE ENTITLED

AN ACT

1
2 relating to an audit by the state auditor of certain programs and
3 funds providing economic development incentives to entities and
4 other persons.

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

6 SECTION 1. Chapter 321, Government Code, is amended by
7 adding Section 321.0139 to read as follows:

8 Sec. 321.0139. AUDIT OF CERTAIN ECONOMIC DEVELOPMENT
9 PROGRAMS AND FUNDS. (a) Beginning September 1, 2015, once every 12
10 years the state auditor shall conduct an audit of each of the
11 following:

12 (1) the rural economic development and investment
13 program established under Section 12.0271, Agriculture Code; and

14 (2) the young farmer grant program under Subchapter G,
15 Chapter 58, Agriculture Code.

16 (b) Beginning September 1, 2017, once every 12 years the
17 state auditor shall conduct an audit of each of the following:

18 (1) the agricultural biomass and landfill diversion
19 incentive program established under Chapter 22, Agriculture Code;

20 (2) the defense economic adjustment assistance grant
21 program;

22 (3) the agricultural loan guarantee program
23 established under Subchapter E, Chapter 58, Agriculture Code;

24 (4) the young farmer interest rate reduction program

1 established under Subchapter F, Chapter 58, Agriculture Code; and
2 (5) the interest rate reduction program established
3 under Section 44.007, Agriculture Code.

4 (c) Beginning September 1, 2019, once every 12 years the
5 state auditor shall conduct an audit of each of the following:

6 (1) the rural investment fund program under Section
7 12.046, Agriculture Code;

8 (2) the capital access program established under
9 Subchapter BB, Chapter 481;

10 (3) the linked deposit program established under
11 Section 481.193;

12 (4) the moving image industry incentive program under
13 Subchapter B, Chapter 485;

14 (5) the product development program under Subchapter
15 D, Chapter 489;

16 (6) the small business incubator program under
17 Subchapter D, Chapter 489; and

18 (7) the certified capital company program established
19 under Chapter 228, Insurance Code.

20 (d) Beginning September 1, 2021, once every 12 years the
21 state auditor shall conduct an audit of each of the following:

22 (1) the program to provide grants of money from the
23 Texas Enterprise Fund under Section 481.078;

24 (2) the program to provide disbursements from events
25 trust funds established under Section 5C, Chapter 1507 (S.B. 456),
26 Acts of the 76th Legislature, Regular Session, 1999 (Article
27 5190.14, Vernon's Texas Civil Statutes), for event support

1 contracts; and

2 (3) the program to provide disbursements from major
3 events trust funds established under Section 5A, Chapter 1507 (S.B.
4 456), Acts of the 76th Legislature, Regular Session, 1999 (Article
5 5190.14, Vernon's Texas Civil Statutes), for game support contracts
6 or event support contracts.

7 (e) Beginning September 1, 2023, once every 12 years the
8 state auditor shall conduct an audit of each of the following:

9 (1) the program to provide disbursements from motor
10 sports racing trust funds established under Section 5B, Chapter
11 1507 (S.B. 456), Acts of the 76th Legislature, Regular Session,
12 1999 (Article 5190.14, Vernon's Texas Civil Statutes), for motor
13 sports racing events support contracts or event support contracts;

14 (2) the program to provide disbursements from special
15 event trust funds established under Section 398.007, Local
16 Government Code;

17 (3) the program to provide allocations of money for
18 emerging technology from the Texas emerging technology fund
19 established under Chapter 490; and

20 (4) the skills development fund program established
21 under Chapter 303, Labor Code.

22 (f) The state auditor may establish the scope of an audit
23 and objective for an audit conducted under this section that are
24 consistent with generally accepted government auditing standards
25 and with other audits conducted by the state auditor under this
26 chapter.

27 (g) To the extent practicable, the state auditor may assess

1 the efficiency and effectiveness of the program or fund subject to
2 an audit under this section.

3 (h) The state auditor shall prepare a report of each audit
4 conducted under this section. Not later than the second anniversary
5 of the date on which an audit required to be conducted under this
6 section is scheduled to begin, the state auditor shall file the
7 report with the lieutenant governor, the speaker of the house of
8 representatives, and the presiding officer of each standing
9 committee of the senate and house of representatives with primary
10 jurisdiction over economic development.

11 (i) The scheduling of the audits specified by this section
12 is subject to a risk assessment in accordance with Chapter 321 and
13 to inclusion in the annual audit plan under Section 321.013(c). If
14 the state auditor determines that an exception to the schedule
15 specified by this section is warranted, the state auditor shall
16 notify the Legislative Audit Committee and each standing committee
17 of the senate and house of representatives with primary
18 jurisdiction over economic development of the reasons for the
19 exception.

20 SECTION 2. This Act takes effect September 1, 2015.