

By: Button

H.B. No. 28

A BILL TO BE ENTITLED

1 AN ACT

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, and once
10 every 12 years after that date, the state auditor shall conduct an
11 audit of the 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, and once every 12 years
17 after that date, the state auditor shall conduct an audit of the
18 following:

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

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

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

1 (4) the young farmer interest rate reduction program
2 established under Subchapter F, Chapter 58, Agriculture Code; and

3 (5) the interest rate reduction program established
4 under Section 44.007, Agriculture Code.

5 (c) Beginning September 1, 2019, and once every 12 years
6 after that date, the state auditor shall conduct an audit of:

7 (1) the rural investment fund program under Section
8 12.046, Agriculture Code;

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

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

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

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

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

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

21 (d) Beginning September 1, 2021, and once every 12 years
22 after that date, the state auditor shall conduct an audit of:

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

25 (2) the program to provide disbursements from events
26 trust funds established under Section 5C, Chapter 1507 (S.B. 456),
27 Acts of the 76th Legislature, Regular Session, 1999 (Article

1 5190.14, Vernon's Texas Civil Statutes), for event support
2 contracts; and

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

8 (e) Beginning September 1, 2023, and once every 12 years
9 after that date, the state auditor shall conduct an audit of:

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

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

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

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

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

1 (g) To the extent practicable, the state auditor may assess
2 the efficiency and effectiveness of the program or fund subject to
3 an audit under this section.

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

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