

By: Kolkhorst

S.B. No. 1544

A BILL TO BE ENTITLED

AN ACT

relating to financial reporting requirements of regional planning commissions.

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

SECTION 1. Section 391.0095, Local Government Code, is amended by amending Subsections (a), (d), and (e) and adding Subsections (c-1), (d-1), and (f) to read as follows:

(a) The audit and reporting requirements under Section 391.009(a) shall include a requirement that a commission annually report to the state auditor:

(1) the amount and source of funds received by the commission during the commission's preceding fiscal year;

(2) the amount and source of funds expended by the commission during the commission's preceding fiscal year, including, for each commission program for which an expenditure is made:

(A) a description of the program;

(B) the name of the program and the name of each eligible recipient, governmental unit, or other person who received funds approved by the governing body of the commission under the program; and

(C) the amount spent for each eligible governmental unit;

(3) an explanation of any method used by the

1 commission to compute an expense of the commission, including
2 computation of any indirect cost of the commission;

3 (4) a report of the commission's productivity and
4 performance during the commission's preceding fiscal year [~~annual~~
5 ~~reporting period~~];

6 (5) a projection of the commission's productivity and
7 performance during the commission's next fiscal year [~~annual~~
8 ~~reporting period~~];

9 (6) the results of an audit of the commission's affairs
10 prepared by an independent certified public accountant; and

11 (7) a report of any assets disposed of by the
12 commission during the commission's preceding fiscal year.

13 (c-1) The report submitted under this section shall note any
14 governmental units that are ineligible to receive money under a
15 commission program.

16 (d) If a commission fails to submit a report or audit as
17 required under this section or is determined by the state auditor to
18 have failed to comply with a rule, requirement, or guideline
19 adopted under Section 391.009, the state auditor shall report the
20 failure to the governor's office. The governor may, until the
21 failure is corrected:

22 (1) appoint a receiver to operate or oversee the
23 commission; or

24 (2) withhold any appropriated funds of the commission.

25 (d-1) If the governor appoints a receiver under Subsection
26 (d)(1), the receiver or the commission may not spend any of the
27 commission's funds until the failure is corrected.

(e) A commission shall send to the governor, the state auditor, the comptroller, the members of the legislature that represent a district located wholly or partly in the region of the commission, each participating governmental unit in the region, and the Legislative Budget Board a copy of each report and audit required under this section or under Section 391.009. The state auditor may review each audit and report, subject to a risk assessment performed by the state auditor and to the legislative audit committee's approval of including the review in the audit plan under Section 321.013, Government Code. If the state auditor reviews the audit or report, the state auditor must be given access to working papers and other supporting documentation that the state auditor determines is necessary to perform the review. If the state auditor finds significant issues involving the administration or operation of a commission or its programs, the state auditor shall report its findings and related recommendations to the legislative audit committee, the governor, and the commission. The governor and the legislative audit committee may direct the commission to prepare a corrective action plan or other response to the state auditor's findings or recommendations. The legislative audit committee may direct the state auditor to perform any additional audit or investigative work that the committee determines is necessary.

(f) A commission's Internet website home page must contain a prominently placed direct link to the most recent report and audit required under this section.

SECTION 2. This Act takes effect September 1, 2017.