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| BILL ANALYSIS |

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| C.S.H.B. 537 |
| By: Wu |
| State Affairs |
| Committee Report (Substituted) |

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| **BACKGROUND AND PURPOSE** Audits conducted by governmental entities, especially internal audits conducted by some law enforcement agencies, have lacked transparency and public accessibility. The process for public requests of this information can be convoluted and sometimes expensive. Both the entities and the audits are funded with tax dollars and, accordingly, the information associated with an audit should be readily accessible to the citizens a governmental entity serves. C.S.H.B. 537 seeks to enhance transparency and accountability by making these audits more accessible to the public. |
| **CRIMINAL JUSTICE IMPACT**It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision. |
| **RULEMAKING AUTHORITY** It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution. |
| **ANALYSIS** C.S.H.B. 537 amends the Government Code to require an applicable governmental entity that is subject to any of the following audits to make the records relating to the audit, including any final report but excluding audit working papers, available to the public on request under state public information law:* a financial audit;
* a compliance audit;
* an economy and efficiency audit;
* an effectiveness audit;
* an investigation by the state auditor; or
* an internal or independent external audit initiated or commissioned by the entity's governing body or the chief executive of a division or department of the entity.

This requirement applies to an audit performed before, on, or after the bill's effective date. C.S.H.B. 537 requires a governmental entity to post on its website or, if the entity does not have its own website, on another publicly accessible website, the final report for an audit not later than the 30th day after the date the audit is completed. The entity may redact any confidential information from the report as necessary to comply with state or federal law, including any information that is confidential or not subject to disclosure under state public information law.C.S.H.B. 537 makes a governmental entity that fails, without good cause, to comply with the bill's provisions liable to a person for any reasonable expenses the person incurs trying to access the audit records, including reasonable attorney's fees. C.S.H.B. 537 classifies the following as governmental entities for purposes of its provisions:* a board, commission, department, committee, institution, agency, or office that is within or is created by the executive or legislative branch of state government and that is directed by one or more elected or appointed members;
* a county commissioners court;
* a municipal governing body; and
* a deliberative body that has rulemaking or quasi-judicial power and that is classified as a department, agency, or political subdivision of a county or municipality.
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| **EFFECTIVE DATE** September 1, 2023. |
| **COMPARISON OF INTRODUCED AND SUBSTITUTE**While C.S.H.B. 537 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.Whereas the introduced required a governmental entity to make records relating to any audit of the governmental entity available to the public on request, the substitute requires a governmental entity that is the subject of an audit to make the records relating to the audit available to the public on request under state public information law.The substitute includes language not in the introduced clarifying that information that is confidential or not subject to disclosure under state public information law is included among the information the entity may redact when providing the records. |
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