

BILL ANALYSIS

H.B. 3490
By: DeAyala
Delivery of Government Efficiency
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The state open meetings law is designed to ensure transparency and accountability in governmental decision-making by requiring meetings of governmental bodies to be conducted openly. The bill author has informed the committee that there are instances, however, in which sensitive information, specifically information concerning internal audits, must be discussed in a confidential setting to preserve the integrity and effectiveness of oversight mechanisms and that the current structure of the law may limit the efficacy of these mechanisms.

H.B. 3490 seeks to address this issue and allow certain state agency governing boards to meet in closed session with the agency's internal auditor to deliberate matters that the auditor determines would compromise the independence, effectiveness, or confidentiality of the agency's internal audit function if disclosed publicly.

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

H.B. 3490 amends the Government Code to establish that state open meetings law does not require the governing board of a state agency to conduct an open meeting to do the following:

- confer with or receive information from the agency's internal auditor about a matter the internal auditor determines would compromise the independence, effectiveness, or confidentiality of the agency's internal audit function if disclosed publicly; or
- deliberate such a matter if the agency's internal auditor is present.

The bill defines "internal auditor" as the internal auditor appointed for a state agency under the Texas Internal Auditing Act and defines "state agency" by reference to its meaning assigned by that act.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.