

1-1 By: Kolkhorst S.B. No. 1544  
1-2 (In the Senate - Filed March 8, 2017; March 21, 2017, read  
1-3 first time and referred to Committee on Intergovernmental  
1-4 Relations; March 30, 2017, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 7, Nays 0;  
1-6 March 30, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1544 By: Lucio

1-17 A BILL TO BE ENTITLED  
1-18 AN ACT

1-19 relating to financial reporting requirements of regional planning  
1-20 commissions.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 391.0095, Local Government Code, is  
1-23 amended by amending Subsections (a), (d), and (e) and adding  
1-24 Subsections (c-1), (d-1), and (f) to read as follows:

1-25 (a) The audit and reporting requirements under Section  
1-26 391.009(a) shall include a requirement that a commission annually  
1-27 report to the state auditor:

1-28 (1) the amount and source of funds received by the  
1-29 commission during the commission's preceding fiscal year;

1-30 (2) the amount and source of funds expended by the  
1-31 commission during the commission's preceding fiscal year,  
1-32 including, for each commission program for which an expenditure is  
1-33 made:

1-34 (A) a description of the program;

1-35 (B) the name of the program and the name of each  
1-36 eligible recipient, governmental unit, or other person who received  
1-37 funds approved by the governing body of the commission under the  
1-38 program; and

1-39 (C) the amount spent for each eligible  
1-40 governmental unit;

1-41 (3) an explanation of any method used by the  
1-42 commission to compute an expense of the commission, including  
1-43 computation of any indirect cost of the commission;

1-44 (4) a report of the commission's productivity and  
1-45 performance during the commission's preceding fiscal year [~~annual~~  
1-46 ~~reporting period~~];

1-47 (5) a projection of the commission's productivity and  
1-48 performance during the commission's next fiscal year [~~annual~~  
1-49 ~~reporting period~~];

1-50 (6) the results of an audit of the commission's affairs  
1-51 prepared by an independent certified public accountant; and

1-52 (7) a report of any assets disposed of by the  
1-53 commission during the commission's preceding fiscal year.

1-54 (c-1) The report submitted under this section shall note any  
1-55 governmental units that are ineligible to receive money under a  
1-56 commission program.

1-57 (d) If a commission fails to submit a report or audit as  
1-58 required under this section or is determined by the state auditor to  
1-59 have failed to comply with a rule, requirement, or guideline  
1-60 adopted under Section 391.009, the state auditor shall report the

2-1 failure to the governor's office. The governor may, until the  
2-2 failure is corrected:

2-3 (1) appoint a receiver to operate or oversee the  
2-4 commission; or

2-5 (2) withhold any appropriated funds of the commission.

2-6 (d-1) If the governor appoints a receiver under Subsection  
2-7 (d)(1), the receiver or the commission may not spend any of the  
2-8 commission's funds until the failure is corrected.

2-9 (e) A commission shall send to the governor, the state  
2-10 auditor, the comptroller, the members of the legislature that  
2-11 represent a district located wholly or partly in the region of the  
2-12 commission, each participating governmental unit in the region, and  
2-13 the Legislative Budget Board a copy of each report and audit  
2-14 required under this section or under Section 391.009. The state  
2-15 auditor may review each audit and report, subject to a risk  
2-16 assessment performed by the state auditor and to the legislative  
2-17 audit committee's approval of including the review in the audit  
2-18 plan under Section 321.013, Government Code. If the state auditor  
2-19 reviews the audit or report, the state auditor must be given access  
2-20 to working papers and other supporting documentation that the state  
2-21 auditor determines is necessary to perform the review. If the state  
2-22 auditor finds significant issues involving the administration or  
2-23 operation of a commission or its programs, the state auditor shall  
2-24 report its findings and related recommendations to the legislative  
2-25 audit committee, the governor, and the commission. The governor  
2-26 and the legislative audit committee may direct the commission to  
2-27 prepare a corrective action plan or other response to the state  
2-28 auditor's findings or recommendations. The legislative audit  
2-29 committee may direct the state auditor to perform any additional  
2-30 audit or investigative work that the committee determines is  
2-31 necessary.

2-32 (f) A commission's Internet website home page must contain a  
2-33 prominently placed direct link to the most recent report and audit  
2-34 required under this section.

2-35 SECTION 2. This Act takes effect September 1, 2017.

2-36 \* \* \* \* \*