

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 Subsection (d-1) to read as follows:

(a) The audit and reporting requirements under Section 391.009(a) shall include a requirement that a commission submit a ~~[annually]~~ report not later than December 1 of each year to the state auditor that includes:

(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:

(A) a description of the purpose of each expenditure;

(B) the name of the program, governmental unit, or other person receiving each expenditure; and

(C) the per capita amount of funds expended by the commission in each participating governmental unit in the region;

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

19 (1) appoint a receiver to operate or oversee the  
20 commission; or

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

22 (d-1) If the governor appoints a receiver under Subsection  
23 (d)(1), the receiver or the commission may not spend any of the  
24 commission's funds until the failure is corrected, other than funds  
25 necessary to correct the failure.

26 (e) A commission shall send to the governor, the state  
27 auditor, the comptroller, the members of the legislature that

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

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