

BILL ANALYSIS

C.S.H.B. 1743
By: Galindo
Government Transparency & Operation
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that state agencies spend approximately \$150 million annually and earn nearly \$3 million in rebates through the State of Texas charge card program. These parties assert that some agencies could better utilize this program for appropriate purchasing and travel expenses because a significant amount of these purchases and expenses are currently being put on employee credit cards. It has been suggested that requiring more of these purchases and expenses to be paid with a state card could result in increased revenue due to a higher program rebate, reduced agency costs, and more transparency in the reporting of employee expenditures. C.S.H.B. 1743 seeks to ensure that the benefits of the program can be fully realized.

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 rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 2 of this bill.

ANALYSIS

C.S.H.B. 1743 amends the Government Code to require the rules adopted by the comptroller of public accounts relating to the use of credit or charge cards by state agencies to pay for purchases to require a state agency in the executive branch of state government to use a credit or charge card to pay for all purchases, unless the comptroller determines that another method of payment is more advantageous to the state, and to prohibit an employee of a state agency in the executive branch of state government from using a personal credit or charge card to pay for the state agency's purchases.

C.S.H.B. 1743 requires the rules adopted by the comptroller for the effective and efficient administration of the Travel Regulations Act and the travel provisions of the General Appropriations Act to require a state agency in the executive branch of state government that participates in a program administered by the comptroller that allows the agency to use a credit or charge card to pay for travel expenses to use the credit or charge card to pay for travel expenses required for agency travel, unless the comptroller determines that another method of payment is more advantageous to the state, and to prohibit an employee of such an agency from using the employee's personal credit or charge card to pay for travel expenses required for agency travel.

C.S.H.B. 1743 requires a state agency in the executive branch of state government that participates in a program administered by the comptroller that allows the agency to use a credit or charge card to purchase travel services to use the credit or charge card to purchase travel

services required for agency travel, unless the comptroller determines that another method of purchase is more advantageous to the state, and prohibits an employee of such an agency from using the employee's personal credit or charge card to purchase travel services required for agency travel.

C.S.H.B. 1743 exempts an institution of higher education, the Health and Human Services Commission (HHSC), the health and human services agencies, and the office of the governor from the bill's provisions relating to the use of a credit or charge card by executive branch state agencies in general. The bill requires the executive commissioner of HHSC by rule to develop a policy that encourages participation in a program administered by the comptroller relating to the use of a credit or charge card to pay for travel expenses and requires HHSC and each health and human services agency to implement that policy.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1743 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 403.023, Government Code, is amended by adding Subsections (b-1) and (b-2) to read as follows:

(b-1) Except as provided by Subsection (b-2), if the comptroller adopts rules authorized under Subsection (b), the rules must:

(1) require a state agency in the executive branch of state government to use a credit or charge card to pay for all purchases unless the comptroller determines that another method of payment is more advantageous to the state; and

(2) prohibit an employee of a state agency in the executive branch of state government from using a personal credit or charge card to pay for the state agency's purchases.

(b-2) Subsection (b-1) does not apply to:

(1) an institution of higher education as defined by Section 61.003, Education Code; or

(2) the office of the governor.

No equivalent provision.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 403.023, Government Code, is amended by adding Subsections (b-1) and (b-2) to read as follows:

(b-1) Except as provided by Subsection (b-2), if the comptroller adopts rules authorized under Subsection (b), the rules must:

(1) require a state agency in the executive branch of state government to use a credit or charge card to pay for all purchases unless the comptroller determines that another method of payment is more advantageous to the state; and

(2) prohibit an employee of a state agency in the executive branch of state government from using a personal credit or charge card to pay for the state agency's purchases.

(b-2) Subsection (b-1) does not apply to:

(1) an institution of higher education as defined by Section 61.003, Education Code;

(2) the Health and Human Services Commission;

(3) a health and human services agency as defined by Section 531.001; or

(4) the office of the governor.

SECTION 2. Subchapter A, Chapter 531, Government Code, is amended by adding Section 531.0175 to read as follows:

Sec. 531.0175. PAYMENT FOR TRAVEL SERVICES WITH CREDIT OR CHARGE CARD. The executive commissioner by rule shall develop, and the commission and each health and human services agency shall implement, a policy that encourages participation in a program administered by the comptroller relating to the use of a credit or charge card to pay for travel expenses.

SECTION 2. Section 660.021, Government Code, is amended to read as follows:

Sec. 660.021. RULES. (a) The comptroller shall adopt rules for the effective and efficient administration of this chapter and the travel provisions of the General Appropriations Act.

(b) Except as provided by Subsection (c), the rules adopted by the comptroller under this section must require that if a state agency in the executive branch of state government participates in a program administered by the comptroller that allows the agency to use a credit or charge card to pay for travel expenses:

- (1) the agency shall use the credit or charge card to pay for travel expenses required for agency travel, unless the comptroller determines that another method of payment is more advantageous to the state; and
- (2) an employee of the agency may not use the employee's personal credit or charge card to pay for travel expenses required for agency travel.

(c) Subsection (b) does not apply to:

(1) an institution of higher education as defined by Section 61.003, Education Code; or

(2) the office of the governor.

SECTION 3. Subchapter B, Chapter 2171, Government Code, is amended by adding Section 2171.0521 to read as follows:

Sec. 2171.0521. PAYMENT FOR TRAVEL SERVICES WITH CREDIT OR CHARGE CARD. (a) Except as provided by Subsection (b), if a state agency in the executive branch of state government

SECTION 3. Section 660.021, Government Code, is amended to read as follows:

Sec. 660.021. RULES. (a) The comptroller shall adopt rules for the effective and efficient administration of this chapter and the travel provisions of the General Appropriations Act.

(b) Except as provided by Subsection (c), the rules adopted by the comptroller under this section must require that if a state agency in the executive branch of state government participates in a program administered by the comptroller that allows the agency to use a credit or charge card to pay for travel expenses:

- (1) the agency shall use the credit or charge card to pay for travel expenses required for agency travel, unless the comptroller determines that another method of payment is more advantageous to the state; and
- (2) an employee of the agency may not use the employee's personal credit or charge card to pay for travel expenses required for agency travel.

(c) Subsection (b) does not apply to:

(1) an institution of higher education as defined by Section 61.003, Education Code;

(2) the Health and Human Services Commission;

(3) a health and human services agency as defined by Section 531.001; or

(4) the office of the governor.

SECTION 4. Subchapter B, Chapter 2171, Government Code, is amended by adding Section 2171.0521 to read as follows:

Sec. 2171.0521. PAYMENT FOR TRAVEL SERVICES WITH CREDIT OR CHARGE CARD. (a) Except as provided by Subsection (b), if a state agency in the executive branch of state government

participates in a program administered by the comptroller that allows the agency to use a credit or charge card to purchase travel services:

(1) the agency shall use the credit or charge card to purchase travel services required for agency travel, unless the comptroller determines that another method of purchase is more advantageous to the state; and

(2) an employee of the agency may not use the employee's personal credit or charge card to purchase travel services required for agency travel.

(b) This section does not apply to:

(1) an institution of higher education as defined by Section 61.003, Education Code; or

(2) the office of the governor.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

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(1) the agency shall use the credit or charge card to purchase travel services required for agency travel, unless the comptroller determines that another method of purchase is more advantageous to the state; and

(2) an employee of the agency may not use the employee's personal credit or charge card to purchase travel services required for agency travel.

(b) This section does not apply to:

(1) an institution of higher education as defined by Section 61.003, Education Code;

(2) the Health and Human Services Commission;

(3) a health and human services agency as defined by Section 531.001; or

(4) the office of the governor.

SECTION 5. Same as introduced version.