HOUSE
RESEARCH
ORGANIZATION bill digest   5/8/2019

HB 3001 (2nd reading)
Morrison
(CSHB 3001 by Biedermann)

SUBJECT: Updating financial reporting requirements for political subdivisions

COMMITTEE: County Affairs — committee substitute recommended

VOTE: 7 ayes — Coleman, Anderson, Biedermann, Dominguez, Huberty, Rosenthal, Stickland

                0 nays

                2 absent — Bohac, Cole

WITNESSES: For — (*Registered, but did not testify*: Thomas Forbes, North Plains Groundwater Conservation District; Edward Sterling, Texas Press Association)

                Against — None

                On — Greg Conte, Comptroller of Public Accounts

BACKGROUND: Local Government Code sec. 140.008 requires a political subdivision, including a special district, annually to compile and report certain financial information. If the subdivision already puts such information on its website, it can provide a link to or clear description of the location of the information, rather than replicating it in the report. As an alternative to providing an annual report, the subdivision is permitted to provide the information to the comptroller, who is then required to post that information on the comptroller's website. Certain districts, defined in Water Code sec. 49.001, can satisfy these reporting requirements by submitting to the comptroller financial documents the districts already are required to submit to the Texas Commission on Environmental Quality.

                Government Code sec. 403.0241 requires the comptroller to create a database containing information regarding all special purpose districts that meet certain financial criteria and allows the comptroller to require state agencies or special districts to provide information as necessary for inclusion in the database.

Interested parties have noted that some of the financial information required to be reported under Local Government Code sec. 140.008 is the same as that required to be reported under Government Code sec. 403.0241 and have suggested streamlining the requirements so that special purpose districts could submit the data only once.

DIGEST: CSHB 3001 would update several financial reporting requirements regarding special purpose districts and other political subdivisions.

Political subdivision financial reporting requirements. The bill would exempt special purpose districts from annual financial reporting required of political subdivisions by Local Government Code sec. 140.008.

The bill would allow districts defined by Water Code sec. 49.001 to satisfy annual reporting requirements by taking action to ensure that financial documents required to be submitted to the Texas Commission on Environmental Quality were made available at a regular office of the district for public inspection and posted on the district's website if the district maintained a website.

The comptroller, in addition to posting political subdivisions' financial documents on the comptroller's website, also would have to post any other information considered relevant or necessary, to the extent that the documents as submitted to the comptroller complied with the comptroller's established accessibility standards and specifications.

Special purpose districts database. In maintaining the database of the financial information regarding special purpose districts required under Government Code sec. 403.0241, the comptroller would be allowed to prescribe the form and manner in which required information collected or maintained by another state agency or special purpose district was provided to it.

Comptroller authority. If information required to be posted by the comptroller under the above reporting requirements was posted on a

separate website maintained by a governmental entity, the comptroller could link to that information instead of or in addition to reproducing it on the comptroller's website.

The bill would take effect on September 1, 2019, and would apply only to a report required to be made on or after that date.