

## **BILL ANALYSIS**

Senate Research Center  
80R20935 E

C.S.H.B. 3560  
By: Swinford (Janek)  
Government Organization  
5/18/2007  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

As its name suggests, the Texas Building and Procurement Commission (TBPC) has a variety of duties and powers that can be divided into two general categories: buildings and procurement. On the buildings side, the legislature has delegated to TBPC the charge and control of state buildings, grounds, and property; maintenance and repair of state buildings, grounds, and property; construction of state buildings; and purchase and lease of state buildings, grounds, and property by or for the state. On the procurement side, the legislature has delegated to TBPC a variety of related duties, such as the responsibility for statewide purchases; oversight of the state's historically underutilized business program; travel; vehicle fleet; mail; printing; surplus and salvage property; serving as lead member of the statewide contract advisory team; providing assistance to the State Council on Competitive Government (council); and a variety of other tasks. The executive director of TBPC manages TBPC's affairs under the direction of a seven-member appointed commission.

The comptroller of public accounts (comptroller) has varied duties and powers related to state procurements and payments and statewide financial accounting for state agencies and is a member of the statewide contract advisory team and the council, having previously housed and supported the council.

C.S.H.B. 3560 renames TBPC as the Texas Facilities Commission and retains its building and facilities-related duties and powers. The bill transfers all other duties and powers of TBPC to the comptroller. This bill is intended to increase efficiency of these central governmental operations and improve the quality of services and goods to all state agencies, thereby enhancing quality of services and goods to taxpayers of this state. This bill also intends to centralize and increase the accuracy and availability of detailed financial information on the state's purchasing expenditures for the providers and users of those goods and services. With this information in hand, the state can plan and implement future innovations to reduce costs and improve quality.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1.06 (Section 2155.0012, Government Code), SECTION 1.08 (Section 2155.087, Government Code), SECTION 1.18 (Section 2156.0012, Government Code), SECTION 1.19 (Section 2157.0012, Government Code), SECTION 1.20 (Section 2158.0012, Government Code), SECTION 1.21 (Section 2161.0012, Government Code), SECTION 1.29 (Section 2163.0012, Government Code), SECTION 1.33 (Section 2170.0012, Government Code), SECTION 1.37 (Section 2172.0012, Government Code), and SECTION 1.42 (Section 2177.0012, Government Code) of this bill.

Rulemaking authority is expressly granted to the Texas Ethics Commission, in consultation with the comptroller of public accounts, in SECTION 1.07 (Section 2155.003, Government Code) and SECTION 3.09 (Section 2152.064, Government Code) of this bill.

Rulemaking authority is expressly granted to the Texas Facilities Commission in SECTION 1.30 (Section 2165.0012, Government Code) of this bill.

Rulemaking authority previously granted to the Texas Building and Procurement Commission is transferred to the comptroller of public accounts in SECTION 1.13 (Section 2155.325, Government Code), SECTION 1.15 (Section 2155.381, Government Code), SECTION 1.16 (Section 2155.382, Government Code), SECTION 1.17 (Section 2155.503, Government Code),

SECTION 1.35 (Section 2171.002, Government Code), SECTION 1.36 (Section 2171.056, Government Code), SECTION 1.41 (Section 2176.110, Government Code), and SECTION 1.103 (Section 271.082, Local Government Code) of this bill.

Rulemaking authority previously granted to the State Purchasing and General Services Commission is transferred to the comptroller of public accounts in SECTION 1.49 (Section 465.0082, Government Code) of this bill.

Rulemaking authority previously granted to the General Services Commission is transferred to the comptroller of public accounts in SECTION 1.68 (Section 2113.103, Government Code), SECTION 1.73 (Section 2251.003, Government Code), SECTION 1.83 (Section 34.001, Education Code), SECTION 1.93 (Section 361.427, Health and Safety Code), SECTION 1.95 (Section 32.044, Human Resources Code), and SECTION 3.11 (Section 2254.024, Government Code) of this bill.

Rulemaking authority previously granted to the comptroller of public accounts is modified in SECTION 3.02 (Section 403.023, Government Code) of this bill.

## **SECTION BY SECTION ANALYSIS**

### ARTICLE 1. TRANSFER OF DUTIES TO COMPTROLLER

SECTION 1.01. Amends Sections 2151.002, 2151.003, and 2151.004, Government Code, as follows:

Sec. 2151.002. New heading: DEFINITION. Redefines "state agency" and deletes the definition of "commission."

Sec. 2151.003. REFERENCE. Provides that a statutory reference to the General Services Commission (GSC), the State Board of Control (SBC), the State Purchasing and General Services Commission (SPGSC), or the Texas Building and Procurement Commission (TBPC) means the Texas Facilities Commission (TFC) if the statutory reference concerns certain duties relating to state buildings, grounds, property, or child care services for state employees and means the comptroller of public accounts (comptroller) in all other circumstances, except as otherwise provided by law.

Sec. 2151.004. New heading: TRANSFER AND ALLOCATION OF POWERS AND DUTIES. (a) and (b) Makes conforming and nonsubstantive changes.

(c) Provides that TFC retains the powers and duties of the former TBPC relating to charge and control of state buildings, grounds, or property, maintenance or repair of state buildings, grounds, or property, child care services for state employees under Chapter 663 (Child Care Services for State Employees), surplus and salvage property, construction of a state building, or purchase or lease of state buildings, grounds, or property by or for the state.

(d) Provides that, except as provided by Subsection (a) or (c) or other law, all other powers and duties of TBPC are transferred to the comptroller.

SECTION 1.02. Amends Chapter 2151, Government Code, by adding Section 2151.0041, as follows:

Sec. 2151.0041. SUNSET PROVISION. (a) Provides that the transfer of powers and duties to the comptroller under Section 2151.004(d) and under House Bill 3560, Acts of the 80th Legislature, Regular Session, 2007, is subject to Chapter 325 (Sunset Law), Government Code.

(b) Requires the Sunset Advisory Commission (SAC) to evaluate the transfer of powers and duties to the comptroller under Section 2151.004(d) and under House Bill 3560, Acts of the 80th Legislature, Regular Session, 2007, and present to the 82nd Legislature a report on its evaluation and recommendations in relation to the

transfer. Requires the comptroller to perform all duties in relation to the evaluation that a state agency subject to review under Chapter 325 would perform in relation to a review.

(c) Sets forth certain powers and duties, references in law, rules or forms, obligations, powers and duties, and property and records that are transferred from the comptroller to TFC. Sets forth certain Sections of the Human Resources Code and Government Code that expire, unless otherwise provided by the legislature by law, on September 1, 2011.

SECTION 1.03. Amends the heading to Chapter 2152, Government Code, to read as follows:

CHAPTER 2152. TEXAS FACILITIES COMMISSION

SECTION 1.04. Amends Section 2152.001, Government Code, as follows:

Sec. 2152.001. COMMISSION. Provides that TFC is an agency of the state.

SECTION 1.05. Amends Subchapter A, Chapter 2152, Government Code, by adding Section 2152.0011, as follows:

Sec. 2152.0011. TEXAS FACILITIES COMMISSION; DEFINITION. (a) Provides that TBPC is renamed TFC.

(b) Defines "commission" or "Texas Building and Procurement Commission."

SECTION 1.06. Amends Subchapter A, Chapter 2155, Government Code, by adding Sections 2155.0011 and 2155.0012, as follows:

Sec. 2155.0011. TRANSFER OF DUTIES; REFERENCE. (a) Transfers the powers and duties of TBPC under this chapter (Purchasing: General Rules and Procedures) to the comptroller.

(b) Provides that a reference in this chapter to TBPC means the comptroller.

Sec. 2155.0012. AUTHORITY TO ADOPT RULES. Authorizes the comptroller to adopt rules to efficiently and effectively administer this chapter. Requires the comptroller to conduct a public hearing regarding the proposed rule regardless of whether the requirements of Section 2001.029(b) (requiring a state agency to grant an opportunity for a public hearing before it adopts substantive rules if a public hearing is requested by certain persons or entities), Government Code, are met.

SECTION 1.07. Amends Section 2155.003, Government Code, as follows:

Sec. 2155.003. CONFLICT OF INTEREST. (a) Prohibits the chief clerk of the comptroller or any other employee of the comptroller, rather than a commission member, employee, or appointee, from having an interest in, or in any manner being connected with, a contract or bid for a purchase of goods or services by an agency of the state or in any manner, including by rebate or gift, accepting or receiving from a person to whom a contract may be awarded, directly or indirectly, anything of value or a promise, obligation, or contract for future reward or compensation.

(b) Makes a conforming change.

(c) Requires the Texas Ethics Commission (TEC), in consultation with the comptroller, to adopt rules to implement this section.

(d) Requires TEC to administer and enforce this section and authorizes TEC to prepare written opinions regarding this section in accordance with Subchapter D (Advisory Opinions), Chapter 571.

(e) Requires the comptroller to report to TEC a campaign contribution from a vendor that bids on or receives a contract under the comptroller's purchasing authority.

SECTION 1.08. Amends Subchapter B, Chapter 2155, Government Code, by adding Sections 2155.086 and 2155.087, as follows:

Sec. 2155.086. PROCEDURES FOR AWARDING CERTAIN CONTRACTS. (a) Defines "chief clerk" for this section and Section 2155.0087

(b) Provides that this section applies only to the award of a contract by the comptroller that meets certain conditions.

(c) Sets forth certain contracts to which this section does not apply.

(d) Requires a contract to which this section applies to be awarded in a public meeting chaired and conducted by the chief clerk of the comptroller or the chief clerk's designee (chief clerk). Requires the chief clerk to determine the time and location for the meeting. Requires the meeting to comply with applicable provisions of Chapter 551 (Open Meetings), Government Code, including requirements relating to posting notice of the meeting. Requires the comptroller to also post notice of the meeting on the comptroller's website and in the state business daily. Requires the office of the attorney general to advise the comptroller on the applicable provisions of Chapter 551.

(e) Authorizes the chief clerk to review any written recommendations for the proposed contract award submitted by the comptroller's staff or by an evaluation committee established by the comptroller for the proposed contract before the meeting. Requires the chief clerk to make the staff's or committee's final written recommendations available to the public at the meeting.

(f) Provides that a contract awarded by the chief clerk under this section is not considered final and does not bind the state until all negotiations are completed, if applicable, and all parties to the contract have signed the final contract.

(g) Requires the comptroller to post notice of a contract award made in an open meeting under this section on the comptroller's website and in the state business daily.

(h) Requires the comptroller to post the text of a contract awarded in an open meeting under this section on the comptroller's website and in the state business daily, except for information in a contract that is not subject to disclosure under Chapter 552 (Public Information), Government Code. Provides that information that is not subject to disclosure under Chapter 552 must be referenced in an appendix that generally describes the information without disclosing the specific content of the information.

Sec. 2155.087. STATEWIDE PROCUREMENT ADVISORY COUNCIL. (a) Defines "council."

(b) Sets forth certain members or their designees who comprise the Statewide Procurement Advisory Council (council).

(c) Requires the comptroller to adopt rules describing the purpose and tasks of the council as provided by Section 2110.005 (Agency-Developed Statement of Purpose and Tasks; Reporting Requirements), Government Code. Makes a conforming change.

(d) Requires a quorum of the council to attend each meeting under Section 2155.086 in which the chief clerk awards a contract. Requires the council to

make recommendations to and advise the chief clerk in a manner consistent with the established purpose and tasks of the council in the meeting.

SECTION 1.09. Amends Section 2155.144(k), Government Code, to make conforming changes.

SECTION 1.10. Amends Section 2155.322(b), Government Code, to require a state agency to send the comptroller certification on a form or in the manner prescribed by the comptroller, rather than agreed to by the comptroller.

SECTION 1.11. Amends Section 2155.323(b), Government Code, as follows:

(b) Requires the comptroller, if the comptroller approves the financial information, to determine whether the purchase information should also be audited under Section 2155.324 (Commission Audit). Deletes existing text requiring the comptroller to promptly send a certification and purchase information to TBPC using a method and format agreed to by the comptroller and TBPC.

SECTION 1.12. Amends Section 2155.324, Government Code, as follows:

Sec. 2155.324. New heading: PURCHASE AUDIT. (a) Requires the comptroller to audit the purchase information for compliance with applicable purchasing statutes and rules when the comptroller considers a purchase audit to be advisable, rather than not later than the eighth day after a certain date.

(b) Makes a conforming change.

(c) Deletes this subsection requiring TBPC to notify the comptroller of certain information.

SECTION 1.13. Amends Section 2155.325, Government Code, as follows:

Sec. 2155.325. New heading: PURCHASE AUDIT AFTER ISSUANCE OF WARRANT. (a) and (b) Makes conforming changes.

(c) Deletes existing text requiring the comptroller to send certification and purchase information received by the comptroller to TBPC, under TBPC's rules.

SECTION 1.14. Amends Section 2155.326, Government Code, as follows:

Sec. 2155.326. New heading: AUDIT BY STATE AUDITOR. Provides that transactions, processes, and the performance of functions under this chapter and Chapters 2156 (Purchasing Methods), 2157 (Purchasing: Purchase of Automated Information Systems), and 2158 (Purchasing: Miscellaneous Provisions for Purchase of Certain Goods and Services) are subject to audit by the state auditor under Chapter 321 (State Auditor). Deletes existing text requiring the comptroller, on request, to furnish TBPC with information detailing all vouchers paid under this subchapter (Inspection and Certification of Goods or Services; Audits) and Section 2155.132 (Purchases Less Than Specified Monetary Amount) to enable TBPC to update periodically computer records and close purchase order files.

SECTION 1.15. Amends Section 2155.381, Government Code, to make conforming changes.

SECTION 1.16. Amends Section 2155.382(a), Government Code, to make conforming changes.

SECTION 1.17. Amends Section 2155.503, Government Code, to require the comptroller, rather than TBPC, to adopt rules to implement this subchapter (Multiple Award Contract Schedule). Makes conforming changes.

SECTION 1.18. Amends Subchapter A, Chapter 2156, Government Code, by adding Sections 2156.0011 and 2156.0012, as follows:

Sec. 2156.0011. TRANSFER OF DUTIES; REFERENCE. (a) Transfers the powers and duties of TBPC under this chapter (Purchasing Methods) to the comptroller.

(b) Provides that a reference in this chapter to TBPC means the comptroller.

Sec. 2156.0012. AUTHORITY TO ADOPT RULES. Authorizes the comptroller to adopt rules to efficiently and effectively administer this chapter. Makes conforming changes.

SECTION 1.19. Amends Subchapter A, Chapter 2157, Government Code, by adding Sections 2157.0011 and 2157.0012, as follows:

Sec. 2157.0011. TRANSFER OF DUTIES; REFERENCE. (a) Transfers the powers and duties of TBPC under this chapter (Purchasing: Purchase of Automated Information Systems) to the comptroller.

(b) Provides that a reference in this chapter to TBPC means the comptroller.

Sec. 2157.0012. AUTHORITY TO ADOPT RULES. Authorizes the comptroller to adopt rules to efficiently and effectively administer this chapter. Makes conforming changes.

SECTION 1.20. Amends Subchapter A, Chapter 2158, Government Code, by adding Sections 2158.0011 and 2158.0012, as follows:

Sec. 2158.0011. TRANSFER OF DUTIES; REFERENCE. (a) Transfers the powers and duties of TBPC under this chapter (Purchasing: Miscellaneous Provisions for the Purchase of Certain Goods and Services) to the comptroller.

(b) Provides that a reference in this chapter to TBPC means the comptroller.

Sec. 2158.0012. AUTHORITY TO ADOPT RULES. Authorizes the comptroller to adopt rules to efficiently and effectively administer this chapter. Makes conforming changes.

SECTION 1.21. Amends Subchapter A, Chapter 2161, Government Code, by adding Sections 2161.0011 and 2161.0012, as follows:

Sec. 2161.0011. TRANSFER OF DUTIES; REFERENCE. (a) Transfers the powers and duties of TBPC under this chapter (Historically Underutilized Businesses) to the comptroller.

(b) Provides that a reference in this chapter to TBPC means the comptroller.

Sec. 2161.0012. AUTHORITY TO ADOPT RULES. (a) Requires the comptroller to adopt rules to efficiently and effectively administer this chapter. Makes conforming changes.

(b) Requires the comptroller to follow the procedures prescribed by Subchapter B (Rulemaking), Chapter 2001, when adopting a new rule or a change to an existing rule that relates to historically underutilized businesses.

SECTION 1.22. Amends Section 2161.061, Government Code, by adding Subsection (e), as follows:

(e) Requires a local government or a nonprofit organization that certifies historically underutilized businesses under Subsection (c) or that conducts a certification program described by and approved under Subsection (b) to make available to the public an online searchable database containing certain information about historically underutilized businesses, minority business enterprises, women's business enterprises, and

disadvantaged business enterprises certified by the local government or nonprofit organization.

SECTION 1.23. Amends Sections 2161.123(d) and (e), Government Code, as follows:

(d) Requires the state auditor to consider certain factors in determining whether a state agency is making a good faith effort to comply with this section, including the establishment of goals for contracting with historically underutilized businesses in each procurement category based on scheduled fiscal year expenditures and the availability of historically underutilized businesses in each category as determined by rules adopted under Section 2161.002.

(e) Requires, rather than prohibits, the state auditor to consider the success or failure of the state agency to contract with historically underutilized businesses in accordance with the agency's goals described by Subsection (d)(5). Deletes existing text requiring the state auditor's review to be restricted to the agency's procedural compliance with Subsection (d).

SECTION 1.24. Amends Section 2161.125, Government Code, to make conforming changes.

SECTION 1.25. Amends Section 2161.127, Government Code, as follows:

Sec. 2161.127. LEGISLATIVE APPROPRIATIONS REQUEST. (a) Creates this subsection from existing text.

(b) Requires the report under Subsection (a) to include the agency's goals for contracting with historically underutilized businesses and certain statements pertaining to those goals.

SECTION 1.26. Amends Section 2162.051(a), Government Code, to provide that the State Council on Competitive Government (council) consists of certain individuals or their designees, including the presiding officer of TFC and the land commissioner.

SECTION 1.27. Amends Subchapter B, Chapter 2162, Government Code, by adding Section 2162.053, as follows:

Sec. 2162.053. ADMINISTRATION BY COMPTROLLER. (a) Requires the comptroller to provide offices for the council and requires the comptroller to provide the council with legal, technical, administrative, and other support necessary to carry out its powers and duties.

(b) Provides that any administrative powers or duties of TBPC with respect to the council are transferred to the comptroller.

SECTION 1.28. Amends Section 2162.102(c), Government Code, to make a conforming change.

SECTION 1.29. Amends Chapter 2163, Government Code, by adding Sections 2163.0011 and 2163.0012, as follows:

Sec. 2163.0011. TRANSFER OF DUTIES; REFERENCE. (a) Transfers the powers and duties of TBPC under this chapter (Commercially Available Activities) to the comptroller.

(b) Provides that a reference in this chapter to TBPC means the comptroller.

Sec. 2163.0012. AUTHORITY TO ADOPT RULES. Authorizes the comptroller to adopt rules to efficiently and effectively administer this chapter. Makes conforming changes.

SECTION 1.30. Amends Subchapter A, Chapter 2165, Government Code, by adding Sections 2165.0011 and 2165.0012, as follows:

Sec. 2165.0011. DEFINITION. Defines "commission."

Sec. 2165.0012. AUTHORITY TO ADOPT RULES. Authorizes TFC to adopt rules to efficiently and effectively administer this chapter.

SECTION 1.31. Amends Section 2166.001, Government Code, by amending Subdivision (1) and adding Subdivision (1-a) to define "commission" and make a nonsubstantive change.

SECTION 1.32. Amends Subchapter A, Chapter 2167, Government Code, by adding Section 2167.0011, as follows:

Sec. 2167.0011. DEFINITION. Defines "commission."

SECTION 1.33. Amends Subchapter A, Chapter 2170, Government Code, by adding Sections 2170.0011 and 2170.0012, as follows:

Sec. 2170.0011. TRANSFER OF DUTIES; REFERENCE. (a) Transfers the powers and duties of TBPC under this chapter (Telecommunications Services) to the comptroller.

(b) Provides that a reference in this chapter to TBPC means the comptroller.

Sec. 2170.0012. AUTHORITY TO ADOPT RULES. Authorizes the comptroller to adopt rules to efficiently and effectively administer this chapter. Makes conforming changes.

SECTION 1.34. Amends Subchapter A, Chapter 2171, Government Code, by adding Section 2171.0011, as follows:

Sec. 2171.0011. TRANSFER OF DUTIES; REFERENCE. (a) Transfers the powers and duties of TBPC under this chapter (Travel and Vehicle Fleet Services) to the comptroller.

(b) Provides that a reference in this chapter to TBPC means the comptroller.

SECTION 1.35. Amends Section 2171.002, Government Code, as follows:

Sec. 2171.002. RULES. Requires the comptroller, rather than TBPC, to adopt rules to implement this chapter, including rules relating to certain structures, procedures, and uses of certain negotiated contract rates. Makes a conforming change.

SECTION 1.36. Amends Section 2171.056(e), Government Code, to delete existing text requiring TBPC to consult with the comptroller before TBPC adopts rules or procedures under Subsection (b) to facilitate the audit or the travel vouchers. Makes a conforming change.

SECTION 1.37. Amends Chapter 2172, Government Code, by adding Sections 2172.0011 and 2172.0012, as follows:

Sec. 2172.0011. TRANSFER OF DUTIES; REFERENCE. (a) Transfers the powers and duties of TBPC under this chapter (Miscellaneous General Services Provided by the Commission) to the comptroller.

(b) Provides that a reference in this chapter to TBPC means the comptroller.

Sec. 2172.0012. AUTHORITY TO ADOPT RULES. Authorizes the comptroller to adopt rules to efficiently and effectively administer this chapter. Makes a conforming change.

SECTION 1.38. Amends Section 2175.001, Government Code, by adding Subdivision (1-a), to define "commission."



SECTION 1.39. Amends Subchapter A, Chapter 2176, Government Code, by adding Section 2176.0011, as follows:

Sec. 2176.0011. TRANSFER OF DUTIES; REFERENCE. (a) Transfers the powers and duties of TBPC under this chapter (Mail) to the comptroller.

(b) Provides that a reference in this chapter to TBPC means the comptroller.

SECTION 1.40. Amends Section 2176.053, Government Code, as follows:

Sec. 2176.053. DELIVERY OF STATE WARRANTS. Authorizes state warrants to be delivered in a manner agreed to by the comptroller, rather than the commission, and the affected agency.

SECTION 1.41. Amends Section 2176.110, Government Code, as follows:

Sec. 2176.110. RULES. Requires the comptroller, rather than commission, to adopt rules for state agencies to implement this chapter, rather than subchapter. Makes a conforming change.

SECTION 1.42. Amends Subchapter A, Chapter 2177, Government Code, by adding Sections 2177.0011 and 2177.0012, as follows:

Sec. 2177.0011. TRANSFER OF DUTIES; REFERENCE. (a) Transfers the powers and duties of TBPC under this chapter (Electronic Commerce) to the comptroller.

(b) Provides that a reference in this chapter to TBPC means the comptroller.

Sec. 2177.0012. AUTHORITY TO ADOPT RULES. Authorizes the comptroller to adopt rules to efficiently and effectively administer this chapter. Makes a conforming change.

SECTION 1.43. Amends Section 22.008(d), Government Code, to make conforming changes.

SECTION 1.44. Amends Section 325.017(e), Government Code, to make a conforming change.

SECTION 1.45. Amends Section 403.251, Government Code, as follows:

Sec. 403.251. New heading: ADDITIONAL DUTIES OF COMPTROLLER. Makes conforming changes.

SECTION 1.46. Amends Section 441.106, Government Code, to make a conforming change.

SECTION 1.47. Amends Sections 441.194(a) and (b), Government Code, to make conforming changes.

SECTION 1.48. Amends Section 444.021(a), Government Code, to make a conforming change.

SECTION 1.49. Amends Section 465.0082, Government Code, to make a conforming change.

SECTION 1.50. Amends Section 465.018(b), Government Code, to make a conforming change.

SECTION 1.51. Amends Section 466.104, Government Code, as follows:

Sec. 466.104. New heading: ASSISTANCE OF COMPTROLLER. (a) Makes a conforming change.

(b) Authorizes the comptroller to request assistance from TFC in performing its facilities-related duties under this section.

SECTION 1.52. Amends Section 481.027(f), Government Code, to make conforming changes.

SECTION 1.53. Amends Section 496.0515(b), Government Code, to make a conforming change.

SECTION 1.54. Amends Section 497.024(b), Government Code, to make a conforming change.

SECTION 1.55. Amends Sections 497.025(a) and (c), Government Code, to make conforming changes.

SECTION 1.56. Amends Section 497.026, Government Code, to make a conforming change.

SECTION 1.57. Amends Section 497.027, Government Code, to make conforming changes.

SECTION 1.58. Amends Section 497.029, Government Code, to make a conforming change.

SECTION 1.59. Amends Section 497.030, Government Code, as follows:

Sec. 497.030. New heading: COMPTROLLER REPORTS. Makes conforming changes.

SECTION 1.60. Amends Section 531.0312(b), Government Code, to make conforming changes.

SECTION 1.61. Amends Section 663.001(3), Government Code, to redefine "commission."

SECTION 1.62. Amends Sections 791.025(a) and (b), Government Code, to make conforming changes.

SECTION 1.63. Amends Section 825.103(d), Government Code, to make conforming changes.

SECTION 1.64. Amends Section 2051.052, Government Code, to make conforming changes.

SECTION 1.65. Amends Section 2054.057(a), Government Code, to make a conforming change.

SECTION 1.66. Amends Section 2101.038, Government Code, to make a conforming change.

SECTION 1.67. Amends Section 2103.032(a), Government Code, to delete existing text authorizing the comptroller to establish an electronic system for the approval of vouchers by GSC.

SECTION 1.68. Amends Sections 2113.103(a), (c), and (d), to make conforming changes.

SECTION 1.69. Amends Section 2113.301(h), Government Code, to make a conforming change.

SECTION 1.70. Amends Section 2203.005(b), Government Code, to make a conforming change.

SECTION 1.71. Amends Sections 2205.004(a) and (c), Government Code, to make conforming changes.

SECTION 1.72. Amends Section 2205.012(a), Government Code, to make a conforming change.

SECTION 1.73. Amends Section 2251.003, Government Code, to make conforming changes.

SECTION 1.74. Amends Section 2252.003(a), Government Code, to make a conforming change.

SECTION 1.75. Amends Section 2254.040, Government Code, as follows:

Sec. 2254.040. New heading: PROCUREMENT BY COMPTROLLER. Makes a conforming change.

SECTION 1.76. Amends Sections 2261.001(a) and (c), Government Code, to make conforming changes.

SECTION 1.77. Amends Subchapter A, Chapter 2262, Government Code, by adding Section 2262.0011. as follows:

Sec. 2262.0011. TRANSFER OF DUTIES; REFERENCE. (a) Transfers all powers and duties of TBPC under this chapter (Statewide Contract Management) to the comptroller.

(b) Provides that a reference in this chapter to TBPC means the comptroller.

SECTION 1.78. Amends Section 2302.002, Government Code, to provide that the council is composed of certain individuals, including one representative of the comptroller, appointed by the comptroller.

SECTION 1.79. Amends Section 12.029(c), Agriculture Code, to require the Department of Agriculture to file the policies established under this section (Powers and Duties) with the comptroller, rather than SPGSC and with the Texas Department of Commerce or its successor in function and to make a conforming change.

SECTION 1.80. Amends Section 13.112, Agriculture Code, to make a conforming change.

SECTION 1.81. Amends Section 49.004(d), Agriculture Code, to provide that supplies, materials, services, and equipment purchased with funds obtained under this section (Use of Funds in Agricultural Technology Account) are not subject to the purchasing authority of the comptroller, rather than GSC.

SECTION 1.82. Amends Section 201.105(c), Agriculture Code, to make a conforming change.

SECTION 1.83. Amends Section 34.001, Education Code, to make conforming changes.

SECTION 1.84. Amends Section 34.006, Education Code, to make conforming changes.

SECTION 1.85. Amends Section 106.54, Education Code, to make a conforming change.

SECTION 1.86. Amends Section 107.66, Education Code, to make conforming changes.

SECTION 1.87. Amends Section 141.003(c), Education Code, to make a conforming change.

SECTION 1.88. Amends Section 142.004(e), Education Code, to make a conforming change.

SECTION 1.89. Amends Section 143.005(f), Education Code, to make a conforming change.

SECTION 1.90. Amends Section 152.004(e), Education Code, to make a conforming change.

SECTION 1.91. Amends Section 361.423, Health and Safety Code, to make conforming changes.

SECTION 1.92. Amends Section 361.425(a), Health and Safety Code, to make a conforming change.

SECTION 1.93. Amends Section 361.427(a), Health and Safety Code, to make a conforming change.

SECTION 1.94. Amends Section 841.083(c-2), Health and Safety Code, to make a conforming change.

SECTION 1.95. Amends Section 32.044(d), Human Resources Code, to make a conforming change.

SECTION 1.96. Amends Section 111.0553(a), Human Resources Code, to make a conforming change.

SECTION 1.97. Amends Chapter 122, Human Resources Code, by adding Section 122.0011, as follows:

Sec. 122.0011. TRANSFER OF DUTIES; REFERENCE. (a) Transfers all the powers and duties of TBPC under this chapter (Texas Council on Purchasing from People with Disabilities) to the comptroller.

(b) Provides that a reference in this chapter to TBPC means the comptroller.

SECTION 1.98. Amends Article 21A.0135(a), Insurance Code, to make a conforming change.

SECTION 1.99. Amends Sections 201.007(b), (c), (f), and (g), Local Government Code, to make conforming changes.

SECTION 1.100. Amends Section 252.0215, Local Government Code, to make a conforming change.

SECTION 1.101. Amends the heading to Section 262.002, Local Government Code, to read as follows:

Sec. 262.002. AUTHORITY TO PURCHASE ROAD EQUIPMENT AND TIRES THROUGH COMPTROLLER.

SECTION 1.102. Amends Section 262.002(a), Local Government Code, to make a conforming change.

SECTION 1.103. Amends Section 271.082, Local Government Code, to make conforming changes.

SECTION 1.104. Amends Section 113.283(a), Natural Resources Code, to make a conforming change.

SECTION 1.105. Amends Section 161.020, Natural Resources Code, to make a conforming change.

SECTION 1.106. Amends Section 12.008(c), Parks and Wildlife Code, to make a conforming change.

SECTION 1.107. Amends Section 81.404(b), Parks and Wildlife Code, to make conforming changes.

SECTION 1.108. Amends Section 111.0035(f), Tax Code, to require the comptroller to award a contract made under this section (Advanced Database Systems for Tax Collections) through a competitive bidding process that complies with Section 2155.132 (Purchases Less than Specified Monetary Amount) and deletes existing text requiring said award to comply with rules adopted by GSC relating to delegated purchases.

SECTION 1.109. Amends Section 111.0036(f), Tax Code, to make a conforming change.

SECTION 1.110. Amends Section 201.706, Transportation Code, to make a conforming change.

SECTION 1.111. Amends Section 202.082(b), Transportation Code, to make a conforming change.

SECTION 1.112. Amends Section 223.041(b), Transportation Code, to make a conforming change.

SECTION 1.113. Amends Section 502.052(c), Transportation Code, to make a conforming change.

SECTION 1.114. Amends Section 502.053(b), Transportation Code, to make a conforming change.

SECTION 1.115. Amends Section 14.058, Utilities Code, to make a conforming change.

SECTION 1.116. Amends Section 222.004(v), Water Code, to make a conforming change.

SECTION 1.117. Repealer: Section 403.241(1) (defining "commission"), 2103.063 (General Services Commission), 2152.003 (Authority to Adopt Rules), 2152.104(c) (authorizing the commission to assign directly to the executive director the duty to administer the surplus and salvage of property division), 2155.323(c) and (d) (requiring certain purchase information sent to the commission and authorizing the commission to determine the types of purchases for which a commission audit is required), and 2161.002(b) (requiring the comptroller to provide certain information to TBPC), Government Code.

SECTION 1.118. Repealer: Section 12.014(b) (limiting the State Purchasing and General Services Commission to the printing of no more than 10,000 copies of the annual report and requiring the distribution of the copies to farmers through certain organizations), Agriculture Code.

SECTION 1.119. Provides that TBPC is renamed TFC on the effective date of this Act.

SECTION 1.120. (a) Provides that TFC retains the powers and duties of the former TBPC that relate to charge and control of state buildings, grounds, or property, to maintenance or repair of state buildings, grounds, or property, to child care services for state employees under Chapter 663, Government Code, to surplus and salvage property, to construction of a state building, or to the purchase or lease of buildings, grounds, or property by or for the state.

(a-1) Transfers all other powers and duties of TBPC to the comptroller, except as otherwise provided by this Act or other law.

(b) Provides that all employees of TBPC who primarily perform duties related to an activity described by Subsection (a) of this section, including employees who provide administrative support for those services, remain employees of TFC.

(b-1) Transfers all other employees of TBPC to the office of the comptroller. Provides that a management employee of TBPC who is transferred to the office of the comptroller under this subsection does not automatically continue to hold the person's management position. Requires a person to apply for the position with the comptroller in order to hold the management position on other than an interim basis.

(c) Provides that a rule, form, policy, procedure, or decision of TBPC that is related to an activity described by Subsection (a) of this section continues in effect as a rule, form, policy, procedure, or decision of TFC.

(c-1) Provides that a rule, form, policy, procedure, or decision of TBPC that is related to an activity transferred by this Act to the comptroller continues in effect as a rule, form, policy, procedure, or decision of the comptroller until superseded by an act of the comptroller.

(d) Provides that a court case, administrative proceeding, contract negotiation, or other proceeding involving TBPC that is related to an activity described by Subsection (a) of this section is unaffected by the change in name of the agency.

(d-1) Provides that a court case, administrative proceeding, contract negotiation, or other proceeding involving TBPC that is related to an activity transferred by this Act to the comptroller is transferred without change in status to the comptroller, and the comptroller assumes, without a change in status, the position of TBPC in a negotiation or proceeding relating to an activity transferred by this Act to the comptroller to which TBPC is a party.

(e) Provides that all money, contracts, leases, rights, bonds, and obligations of TBPC related to an activity described by Subsection (a) of this section remain with TFC.

(e-1) Provides that all money, contracts, memoranda of understanding, leases, rights, bonds, and obligations of TBPC related to an activity transferred by this Act to the comptroller are transferred to the comptroller.

(f) Provides that all personal property, including records, in the custody of TBPC related to an activity described by Subsection (a) of this section remains the property of TFC.

(f-1) Provides that all personal property, including records, in the custody of TBPC related to an activity transferred by this Act to the comptroller becomes the property of the comptroller.

(g) Provides that all funds appropriated by the legislature to TBPC for an activity described by Subsection (a) of this section, including funds for providing administrative support for those services, continue as appropriations to TFC.

(g-1) Provides that all funds appropriated by the legislature to TBPC for an activity transferred by this Act to the comptroller, including funds for providing administrative support for those services, are transferred to the comptroller.

SECTION 1.121. Requires the comptroller and TFC, in accordance with Section 1.120 of this article, to adopt a memorandum of understanding that identifies and allocates between the office of the comptroller and TFC the powers, duties, property, employees, appropriations, and other items transferred under Section 1.120. Requires the memorandum of understanding to also identify and allocate between the office of the comptroller and TFC the employees and real and personal property of TBPC, including space in the central administrative offices of TFC, used to generally support the activities of TBPC and to provide a timetable for any necessary or advisable movement of the physical location of employees and property.

SECTION 1.122. Makes application of Sections 2155.086 and 2155.087, Government Code, as added by this Act and as they apply to a contract for which the solicitation of bids or proposals or similar expressions of interest is published on or after September 1, 2007, prospective.

## ARTICLE 2. DEPARTMENT OF INFORMATION RESOURCES

SECTION 2.01. Amends Section 35.102(c), Business & Commerce Code, to provide that this section (Software or Services that Restrict Access to Certain Material on Internet) does not apply to the Department of Information Resources (DIR), rather than GSC, in its capacity as the telecommunications provider for certain entities that provides interactive computer service.

SECTION 2.02. Amends Section 44.031(i), Education Code, to authorize a school district to acquire computers and computer-related equipment through DIR, rather than GSC, under contracts entered into in accordance with Chapter 2054 or 2157, Government Code. Makes a conforming change.

SECTION 2.03. Amends Section 2054.123(a), Government Code, to make a conforming change.

SECTION 2.04. Amends Section 2054.201, Government Code, to make conforming changes.

SECTION 2.05. Amends Sections 2054.304(b) and (c), Government Code, to make a nonsubstantive change and conforming changes.

SECTION 2.06. Amends Section 771.031(b), Health and Safety Code, to make a conforming change.

SECTION 2.07. Amends Section 771.0711(e), Health and Safety Code, to make a conforming change.

SECTION 2.08. Amend Section 55.203(f), Utilities Code, to make a conforming change.

### ARTICLE 3. CONFORMING AMENDMENTS; MISCELLANEOUS

SECTION 3.01. Amends Section 201.002(b), Transportation Code, to make a conforming change.

SECTION 3.02. Amends Section 403.023(b), Government Code, to delete existing text authorizing GSC to contract with one or more credit or charge card issuers on behalf of state agencies.

SECTION 3.03. Amends Section 441.203(a), Government Code, to remove the executive director of TBPC from the membership of the Records Management Interagency Coordinating Council.

SECTION 3.04. Amends Section 551.0726(a), Government Code, to make a conforming change.

SECTION 3.05. Reenacts Section 552.009(a), Government Code, as amended by Chapters 329 and 716, Acts of the 79th Legislature, Regular Session, 2005.

SECTION 3.06. Amends Section 571.061(a), Government Code, to require TFC to administer and enforce Sections 2152.064 and 2155.003.

SECTION 3.07. Amends Section 571.091(a), Government Code, to require TFC to prepare a written opinion answering the request of a person subject to Sections 2152.064 or 2155.003 for an opinion about the application of these laws to the person in regard to a specified existing or hypothetical factual situation.

SECTION 3.08. Amends Section 572.003(c), Government Code, to make a conforming change.

SECTION 3.09. Amends Subchapter B, Chapter 2152, Government Code, by adding Section 2152.064, as follows:

Sec. 2152.064. CONFLICTS OF INTEREST IN CERTAIN TRANSACTIONS. Prohibits a TFC member, employee, or appointee from having an interest in, or in any manner being connected with, a contract or bid for a purchase of goods or services, including professional or consulting services, by TFC or another agency of the state in connection with certain TFC duties, a recipient of state surplus or salvage property under the control of TFC, or in any manner, including by rebate or gift, accepting or receiving, directly or indirectly, from a recipient of state surplus or salvage property or a person to whom a contract described by Subdivision (1) may be awarded, anything of value or a promise, obligation, or contract for future reward or compensation.

(b) Provides that a TFC member, employee, or appointee who violates Subsection (a)(2) is subject to dismissal.

(c) Requires TEC to adopt rules to implement this section in consultation with TFC.

(d) Requires TEC to administer and enforce this section and authorizes TEC to prepare written opinions regarding this section in accordance with Subchapter D, Chapter 571.

SECTION 3.10. Amends Section 2203.001(b), Government Code, to make a conforming change.

SECTION 3.11. Amends Section 2254.024(b), Government Code, to make a conforming change.

SECTION 3.12. Amends Section 2254.039(b), Government Code, to require the comptroller to give proposed rules to the governor, rather than to the governor and GSC, for review and comment before adopting the rules.

#### ARTICLE 4. STUDY OF TEXAS FACILITIES COMMISSION FUNCTIONS

SECTION 4.01. Amends Subchapter A, Chapter 2152, Government Code, by adding Section 2152.004, as follows:

Sec. 2152.004. STUDY TO ASSESS THE FUNCTIONS OF TEXAS FACILITIES COMMISSION. (a) Requires SAC to conduct a study of the functions of TFC. Requires the study to assess the best allocation of state resources for certain actions and responsibilities.

(b) Requires the study to consider the benefits to the state of outsourcing any of TFC's functions to private entities or of allocating those functions to other state agencies.

(c) Requires TFC to take into consideration the findings and conclusions of the study in its report to the 81st Legislature and include any recommendations it considers appropriate resulting from its consideration of the study.

(d) Requires TFC, the General Land Office, and the state auditor to provide support to SAC in conducting the study.

(e) Provides that this section expires January 1, 2009.

#### ARTICLE 5. EFFECTIVE DATE

SECTION 5.01. Effective date: September 1, 2007.