

## **BILL ANALYSIS**

Senate Research Center  
85R19410 DMS-D

C.S.S.B. 1544  
By: Kolkhorst  
Intergovernmental Relations  
3/29/2017  
Committee Report (Substituted)

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

Regional planning commissions, also known as councils of governments (COGs) or regional councils, are comprised of city, county and special districts who join together to plan for development, cooperate on matters of health and public safety, and guide the unified, far-reaching development of a region while eliminating duplication. They provide a setting for uniform planning related to streets, utilities, recreation, economic development, historical preservation, emergency services, garbage collection, and education.

Regional planning commissions have the authority to contract with local governments to provide services. They have the power to apply for grants from nonprofits, the state, a local government, or the federal government. While they do not have the power to tax, their constituent members may appropriate tax dollars to the commission for their use.

Currently, these commissions are required to submit audits and reports to the state auditor. These reports contain extensive information on the amount and sources of funds received and expended by the commission. They also contain data related to job numbers, productivity, and a report on assets disposed of.

S.B. 1544 requires these audits to be submitted to each member of the legislature that represent a district located wholly or partly in the region of the commission and to each participating governmental unit in the region. The bill also requires the commission to provide a more detailed audit that contains a per capita amount of funds expended by the commission according to each participating governmental unit, as well as the name and description of each program, person, or government receiving funds.

S.B. 1544 allows each governmental unit and relevant member of the legislature more access on how these funds are being allocated in the various commissions they interact with.

The committee substitute was drafted in consultation with the Texas Association of Regional Councils and narrows the reporting requirements from the filed version and contains a requirement that the report note when a governmental unit is ineligible for a program. It also requires the reports to be placed on the COG's website.

C.S.S.B. 1544 amends current law relating to financial reporting requirements of regional planning commissions.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 391.0095, Local Government Code, by amending Subsections (a), (d), and (e) and adding Subsections (c-1), (d-1), and (f), as follows:

- (a) Requires the audit and reporting requirements under Section 391.009(a) (relating to the governor drafting and adopting certain regulations to protect the public interest) to

include a requirement that a regional planning commission (commission) submit an annual report 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, for each commission program for which an expenditure is made:
  - (A) a description of the program;
  - (B) the name of the program and the name of each eligible recipient, governmental unit, or other person who received funds approved by the governing body of the commission under the program; and
  - (C) the amount spent for each eligible governmental unit;
- (3) an explanation of any method used by the commission to compute an expense of the commission, including computation of any indirect cost of the commission;
- (4) a report of the commission's productivity and performance during the commission's preceding fiscal year, rather than annual reporting period;
- (5) a projection of the commission's productivity and performance during the commission's next fiscal year, rather than annual reporting period;
- (6) the results of an audit of the commission's affairs prepared by an independent certified public accountant; and
- (7) a report of any assets disposed of by the commission during the commission's preceding fiscal year.

(c-1) Requires that the report submitted under this section note any governmental units that are ineligible to receive money under a commission program.

(d) Makes a nonsubstantive change.

(d-1) Prohibits the receiver or the commission, if the governor appoints a receiver, from spending any of the commission's funds until the failure to submit a report or audit is corrected.

(e) Requires a commission to send to the governor, the state auditor, the Texas comptroller of public accounts, the members of the legislature that represent a district located wholly or partly in the region of the commission, each participating governmental unit in the region, and the Legislative Budget Board a copy of each report and audit required under this section or under Section 391.009 (Role of State Auditor, Governor, and State Agencies). Makes no further changes to this subsection.

(f) Requires a commission's Internet website home page to contain a prominently placed direct link to the most recent report and audit required under this section.

SECTION 2. Effective date: September 1, 2017.