

Chapter 1047

H.B. No. 1930

AN ACT

relating to financial accounting and reporting requirements for this state and political subdivisions of this state.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

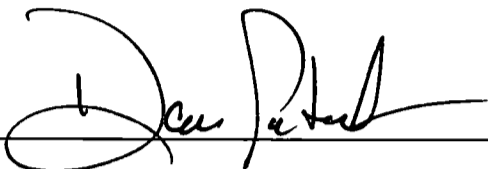
SECTION 1. Chapter 2266, Government Code, is repealed.

SECTION 2. Section 112.002, Local Government Code, is amended by adding Subsection (c) to read as follows:

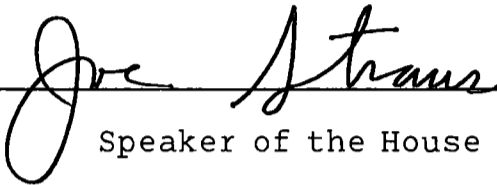
(c) A regulation adopted under this section may not be inconsistent with generally accepted accounting principles as established by the Governmental Accounting Standards Board.

SECTION 3. The changes in law made by this Act apply to financial accounting and reporting by a governmental entity that, immediately before the effective date of this Act, was subject to Chapter 2266, Government Code, as repealed by this Act, beginning with the governmental entity's first fiscal year that begins on or after September 1, 2018.

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, 2017.



President of the Senate



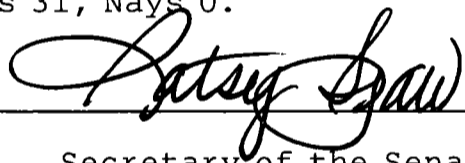
Speaker of the House

I certify that H.B. No. 1930 was passed by the House on April 25, 2017, by the following vote: Yeas 145, Nays 0, 2 present, not voting.



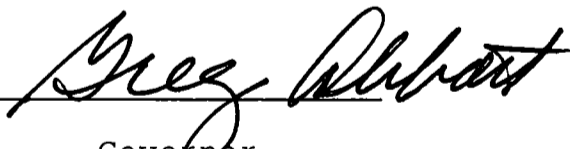
Chief Clerk of the House

I certify that H.B. No. 1930 was passed by the Senate on May 19, 2017, by the following vote: Yeas 31, Nays 0.




Secretary of the Senate

APPROVED: 6-13-2017
Date



Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3 PM O'CLOCK

JUN 15 2017


Secretary of State

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 12, 2017

TO: Honorable Joan Huffman, Chair, Senate Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1930 by Frullo (Relating to financial accounting and reporting requirements for this state and political subdivisions of this state.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would repeal Government Code, Chapter 2266 which allows for a statutory modified accrual basis of accounting by the State and political subdivisions. Chapter 2266 also allows accounting for post-employment benefits (OPEB) other than pension benefits on a pay-as-you-go basis as an alternative standard to the Governmental Accounting Standards Board (GASB) related to OPEB. Repealing this chapter would require state and local governments to comply with GASB.

The bill would amend the Local Government Code adding that in a county with a population of 190,000 or more, the county auditor may not adopt a regulation that is inconsistent with generally accepted accounting principles as established by GASB.

The bill would take effect immediately if it receives a two-thirds vote in each house; otherwise, the bill would take effect September 1, 2017.

Local Government Impact

According to the Texas Association of Counties (TAC) the bill would cause inconsistencies among governments in accounting and reporting based on county population. As of 2010, 231 counties had a population below 190,000.

Also according to TAC, for counties with a population of 190,000 or more, certain programs such as those operated by Juvenile Probation and Community Supervision and Corrections Departments (CSCDs) have certain state reporting requirements that are inconsistent with GASB, and many grants have their own accounting requirements. The bill would require these programs to follow GASB.

Source Agencies: 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 323 Teacher Retirement System, 327 Employees Retirement System, 352 Bond Review Board, 356 Texas Ethics Commission, 451 Department of Banking, 507 Texas Board of Nursing, 551 Department of Agriculture, 696 Department of Criminal Justice, 701 Texas Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

LBB Staff: UP, AG, LBO, GG, BM, SD, LCO

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

March 27, 2017

TO: Honorable Gary Elkins, Chair, House Committee on Government Transparency & Operation

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1930 by Frullo (Relating to financial accounting and reporting requirements for this state and political subdivisions of this state.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would repeal Government Code, Chapter 2266 which allows for a statutory modified accrual basis of accounting by the State and political subdivisions. Chapter 2266 also allows accounting for post-employment benefits (OPEB) other than pension benefits on a pay-as-you-go basis as an alternative standard to the Governmental Accounting Standards Board (GASB) related to OPEB. Repealing this chapter would require state and local governments to comply with GASB.

The bill would amend the Local Government Code adding that in a county with a population of 190,000 or more, the county auditor may not adopt a regulation that is inconsistent with generally accepted accounting principles as established by GASB.

The bill would take effect immediately if it receives a two-thirds vote in each house; otherwise, the bill would take effect September 1, 2017.

Local Government Impact

According to the Texas Association of Counties (TAC) the bill would cause inconsistencies among governments in accounting and reporting based on county population. As of 2010, 231 counties had a population below 190,000.

Also according to TAC, for counties with a population of 190,000 or more, certain programs such as those operated by Juvenile Probation and Community Supervision and Corrections Departments (CSCDs) have certain state reporting requirements that are inconsistent with GASB, and many grants have their own accounting requirements. The bill would require these programs to follow GASB.

Source Agencies: 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 323 Teacher Retirement System, 327 Employees Retirement System, 352 Bond Review Board, 356 Texas Ethics Commission, 451 Department of Banking, 507 Texas Board of Nursing, 551 Department of Agriculture, 696 Department of Criminal Justice, 701 Texas Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The

University of Texas System Administration

LBB Staff: UP, LBO, GG, BM, SD, LCO