

BILL ANALYSIS

Senate Research Center
83R9889 VOO-D

H.B. 2252
By: Ashby (Nichols)
Government Organization
4/29/2013
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current procedures, charities in Texas with budgets over \$100,000 must undergo an official audit in order to qualify to receive contributions from the state employee charitable campaign. Some parties contend that a reasonable alternative for smaller organizations with budgets just over \$100,000 would be an annual review by a certified public accountant as opposed to an official audit. These parties estimate that such a review could save a smaller charity thousands of dollars per year, allowing the organization to dedicate more dollars directly to its programs. Interested parties further assert that it is not uncommon for a smaller charitable organization to have such a review instead of an audit. H.B. 2252 seeks to ease the financial burden of an official audit for smaller charitable organizations wishing to participate in a state employee charitable campaign by raising the annual budget threshold above which an official audit is required as a condition of eligibility for such participation.

H.B. 2252 amends current law relating to eligibility of charitable organizations to participate in a state employee charitable campaign.

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. Amend Section 659.146(a), Government Code, as follows:

(a) Requires a charitable organization, to be eligible to participate in a state employee charitable campaign, to:

(1) Makes no change to this subdivision;

(2) if the organization's annual budget:

(A) does not exceed \$250,000, rather than \$100,000, provide a completed Internal Revenue Service Form 990 and an accountant's review that offers full and open disclosure of the organization's internal operations; or

(B) exceeds \$250,000, rather than \$100,000, be audited annually in accordance with generally accepted auditing standards of the American Institute of Certified Public Accountants; and

(3) Makes no change to this subdivision.

SECTION 2. Effective date: September 1, 2013.