

BILL ANALYSIS

Senate Research Center

H.B. 2962
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2010, the comptroller of public accounts of the State of Texas (comptroller) established the Commercial Card Program (program), which allows state agencies to acquire and use credit cards or charge cards for procurement and travel purchases. The program offers the state a number of benefits, including monetary savings from the rebate program, fraud detection services, and transaction reporting.

Although the program is working as intended, it is underutilized. Consequently, it does not provide the state nearly the amount of savings, transparency, and purchasing power that it is capable of producing, nor the amount that was intended by the comptroller.

Current Texas law does not require the use of credit or charge cards for state procurement and travel purposes, even in those instances where use of a credit or charge card would be the most advantageous course of action. Current law authorizes the comptroller to adopt rules relating to the use of credit or charge cards by state agencies and allows state employees to receive reimbursement if they use their personal credit card for purchases.

To maximize the benefits of the program, H.B. 2962 requires that when the comptroller adopts rules relating to the use of credit or charge cards by state agencies to pay for purchases, the rules must require state agencies to use credit cards for all procurement and travel purchases unless the comptroller determines that another method of purchase is more advantageous to the state. H.B. 2962 additionally prohibits employees from using their personal credit card for procurement or travel purchases.

H.B. 2962 amends current law relating to the use of a credit or charge card by certain state agencies to make certain purchases.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the comptroller of public accounts of the State of Texas in SECTION 1 (Section 403.023, Government Code) and SECTION 2 (Section 660.021, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 403.023, Government Code, by adding Subsections (b-1) and (b-2), as follows:

(b-1) Requires that the rules, except as provided by Subsection (b-2), if the comptroller of public accounts of the State of Texas (comptroller) adopts rules authorized under Subsection (b) (relating to authorizing the comptroller to adopt rules relating to the use of credit or charge cards by state agencies to pay for purchases),:

(1) require a state agency in the executive branch of state government to use a credit or charge card to pay for all purchases unless the comptroller determines that another method of payment is more advantageous to the state;

(2) require a state agency that uses a credit or charge card to make a purchase to post on the agency's Internet website a list of all purchases made with the credit or charge card, provided that the agency is not required to post any confidential information; and

(3) prohibit an employee of a state agency in the executive branch of state government from using a personal credit or charge card to pay for the state agency's purchases.

(b-2) Provides that Subsection (b-1) does not apply to an institution of higher education as defined by Section 61.003 (Definitions), Education Code, or the office of the governor.

SECTION 2. Amends Section 660.021, Government Code, as follows:

Sec. 660.021. RULES. (a) Creates this subsection from existing text. Requires the comptroller to adopt rules for the effective and efficient administration of this chapter and the travel provisions of the General Appropriations Act.

(b) Requires that the rules adopted by the comptroller under this section, except as provided by Subsection (c), require that if a state agency in the executive branch of state government participates in a program administered by the comptroller that allows the agency to use a credit or charge card to pay for travel expenses:

(1) the agency is required to use the credit or charge card to pay for travel expenses required for agency travel, unless the comptroller determines that another method of payment is more advantageous to the state;

(2) the agency is required to post on the agency's Internet website a list of all purchases made with the credit or charge card, provided that the agency is not required to post any confidential information; and

(3) an employee of the agency is prohibited from using the employee's personal credit or charge card to pay for travel expenses required for agency travel.

(c) Provides that Subsection (b) does not apply to an institution of higher education as defined by Section 61.003, Education Code, or the office of the governor.

SECTION 3. Amends Subchapter B, Chapter 2171, Government Code, by adding Section 2171.0521, as follows:

Sec. 2171.0521. PAYMENT FOR TRAVEL SERVICES WITH CREDIT OR CHARGE CARD. (a) Provides that, except as provided by Subsection (b), if a state agency in the executive branch of state government participates in a program administered by the comptroller that allows the agency to use a credit or charge card to purchase travel services:

(1) the agency is required to use the credit or charge card to purchase travel services required for agency travel, unless the comptroller determines that another method of purchase is more advantageous to the state;

(2) the agency is required to post on the agency's Internet website a list of all purchases made with the credit or charge card, provided that the agency is not required to post any confidential information; and

(3) an employee of the agency is prohibited from using the employee's personal credit or charge card to purchase travel services required for agency travel.

(b) Provides that this section does not apply to an institution of higher education as defined by Section 61.003, Education Code, or the office of the governor.

SECTION 4. Effective date: upon passage or September 1, 2013.