

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1184
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Transportation
4/22/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Regional mobility authorities (RMAs) were created during the 77th Legislature, Regular Session, 2001. RMAs are political subdivisions formed by one or more counties to finance, acquire, design, construct, operate, maintain, expand or extend transportation projects. These projects may be tolled or non-tolled. At the time of their creation, it was envisioned that RMAs would provide more local control and investment in projects of significance to the region encompassed by an RMA.

There are nine RMAs in Texas: Alamo RMA, Cameron County RMA, Camino Real RMA, Central Texas RMA, Grayson County RMA, North East RMA, Hidalgo County RMA, Sulphur River RMA, and Webb County-City of Laredo RMA. Each year, the Texas Transportation Commission requires the nine RMAs to submit a compliance report and a project report. The compliance report is one page, general overview information, and not comprehensive enough to reflect how transportation funds are spent. RMAs undergo external financial audits, but they are also inconclusive of how taxpayer dollars are being used.

Rather than mandate that the State Auditor's Office (SAO) conduct an audit or review of RMAs by a certain date, which the bill as filed would achieve, the substitute stipulates that RMAs are *subject* to an audit by SAO in accordance with Chapter 321, Government Code.

Instead of mandating an audit, the substitute requires the state auditor to conduct a risk assessment of each RMA in developing the annual audit plan. In conducting a risk assessment, SAO weighs both quantitative information (such as expenditures and revenue) and qualitative information (such as other audit coverage, information about the state of internal controls, news articles, and information from state leaders and members of the public). If the risk assessment warrants it, the state auditor could then schedule one or more RMA for an audit.

Key Points:

- RMAs have broad powers: to issue bonds, to toll, and to condemn private property. Despite these broad authorities, the directors are appointed—not elected.
- Lawmakers and Texans deserve a full understanding of how funds have been used by the nine RMAs, and if those funds are being used effectively and efficiently.
- Texans deserve a thorough audit of RMAs, *conducted by the state auditor*, who works on behalf of the legislature and taxpayers.

C.S.S.B. 1184 amends current law relating to subjecting regional mobility authorities to audit by the state auditor.

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 370.182, Transportation Code, by adding Subsection (c), as follows:

(c) Provides that a regional mobility authority (authority) is subject to audit by the state auditor in accordance with Chapter 321 (State Auditor), Government Code. Requires the state auditor to consider risk assessment information relating to the performance of authorities in developing the annual audit plan required under Chapter 321, Government Code.

SECTION 2. Effective date: September 1, 2015.