

CHAPTER 794

S.B. No. 233

An Act relating to the processing of claims and accounts and the issuance of warrants and the powers and duties of the comptroller of public accounts; amending the Revised Statutes by amending Sections (2) and (3), Article 4344b and Section (a), Article 4357, as amended, and the following articles, as amended: 4344, 4355, 4359, 4365, and 4393; amending Chapter 212, Acts of the 49th Legislature, Regular Session, 1945, as amended (Article 4393a, Vernon's Texas Civil Statutes), and Section 31.039, Human Resources Code; and repealing Articles 4356 and 4358, Revised Statutes.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Article 4344, Revised Statutes, as amended, is amended to read as follows:

“Article 4344. **CERTAIN DUTIES.** Among other duties the Comptroller shall:

“1. Procure a seal with words ‘Comptroller’s Office, State of Texas’ engraved around the margin and a five-pointed star in the center, which shall be used as the seal of his office to authenticate all his official acts, except warrants drawn on the State Treasury.

"2. Adopt such regulations not inconsistent with the constitution and laws as he may deem essential to the speedy and proper assessment and collection of the revenues of the State.

"3. Superintend the fiscal concerns of the State, as the sole accounting officer thereof, and manage the same in the manner required by law.

"4. Require all accounts presented to him for settlement not otherwise provided for by law to be made on forms prescribed by him [~~all such accounts to be verified by affidavit as to their correctness, and he may administer the oath himself in any case in which he may deem it necessary~~].

"5. Prescribe and furnish the form *or electronic format* to be used by all persons in the collection of the public revenue and the mode and manner of keeping and stating their accounts.

"6. Prescribe forms *or electronic formats* of the same class, kind, and purpose so as to be uniform in size, arrangement, matter and form.

"7. From time to time require all persons receiving money or having the disposition or management of any property of the State, of which an account is kept in his office, to render statements thereof to him.

"8. Require all persons who have received and not accounted for any money belonging to the State to settle their accounts.

"9. Keep and settle all accounts in which the State is interested, including all moneys received by the State as interest and other payments on land and office fees of his and other departments of the State government, and all other moneys received by the State from whatever source and for whatever purpose.

"10. Examine and settle the accounts of all persons indebted to the State and certify the amount or balance to the Treasurer, and direct and superintend the collection of all moneys due the State.

"11. Audit the claims of all persons against the State in cases where provision for the payment thereof has been made by law, unless the audit of any such claim is otherwise specially provided for.

"12. Keep a book to register and index all audited claims against the State, and on the meeting of the regular session of the Legislature make a minute report of the same to both houses thereof, giving the names and amounts of all audited claims.

"13. Keep and state all accounts between this State and the United States.

"14. Keep journals through which all entries are made in the ledger.

"15. Remit or make an allowance to each tax collector in the auditing of his accounts for all sums of money which, in his judgment, have been illegally assessed.

"16. Draw warrants on the Treasurer for the payment of all moneys directed by law to be paid out of the Treasury.

"17. Suggest plans for the improvement and management of the general revenue.

"18. Preserve the books, records, papers and other things belonging in his office and deliver the same in good condition to his successor.

"19. Have the authority to accept federal moneys for any state agency not otherwise restricted by statute or by rider or special provision in the General Appropriations Act. These moneys may only be accepted if the agency has certified to the Comptroller the agency will be responsible for compliance with all applicable federal and state laws."

SECTION 2. Section (2), Article 4344b, Revised Statutes, is amended to read as follows:

"(2) The Comptroller of Public Accounts is authorized to establish and operate a central electronic computing and data processing center to be used to maintain the central accounting records of the state, to prepare payrolls and other warrants, to audit tax reports, and to perform such other accounting and data processing activities as may be economically and practically adapted to the use of this equipment.

"(a) In order to provide for the orderly and economical use of this equipment the Comptroller is further authorized to prescribe and revise claim forms, registers, warrants, and other documents submitted in support of payroll or other claims or to support tax or any other payments to the state.

"(b) In order to improve the flow of data between state agencies, the Comptroller is authorized to prescribe and revise procedures, techniques, and formats for electronic data transmittal.

"(c) The Comptroller of Public Accounts and any state agency as that term is defined in 'The Interagency Cooperation Act' (codified as Article 4413(32) Vernon's Revised Civil Statutes) may enter into an agreement under the provisions of the Interagency Cooperation Act for electronic computing or data processing services."

SECTION 3. Section (3), Article 4344b, Revised Statutes, is amended to read as follows:

“(3) Notwithstanding the provisions of any other statute, the Comptroller of Public Accounts may establish and operate an electronic funds transfer system to transfer directly into their accounts in financial institutions only: (i) employees’ gross state salaries less deductions specifically authorized by state or federal law or reimbursement for travel and subsistence of employees, ~~and~~ (ii) payments to annuitants by the Employees Retirement System of Texas or the Teacher Retirement System of Texas under either system’s administrative jurisdiction, (iii) *recurring payments to governmental entities, and (iv) payments to vendors designated by the Comptroller.* An authorized payee must request in writing to participate in any electronic funds transfer system established and operated by the Comptroller of Public Accounts. A single transfer may contain payments to multiple payees without the necessity of issuing individual warrants for each payee. The Comptroller shall establish procedures for administering the system and may use the services of financial institutions, automated clearinghouses, and the federal government. The use of electronic funds transfer or any other payment means does not create any rights that would not have been created had an individual state warrant been used as the payment medium. The State Treasurer may not make payment of a state employee’s salary before the last working day of the payroll period.”

SECTION 4. Article 4355, Revised Statutes, as amended, is amended to read as follows:

“Article 4355. CLAIMS AND ACCOUNTS. (a) All claims and accounts against the State shall be submitted on forms *or in the method and format* prescribed by the Comptroller ~~and in duplicate, when required by him except claims for pensions;~~ and shall be so prepared as to provide for the entering thereon, for the use of the Comptroller’s Department, as well as other appropriate matters, the following:

“1. *Authorization* ~~[Signature]~~ of the head of the department or other person responsible for incurring the expenditure.

“2. *Appropriation against which disbursement is* ~~[number, account number, and fund]~~ to be charged.

“3. *Other information as required by the Comptroller’s rules* ~~[Initials of the person ascertaining if there are funds available].~~

~~“4. Initials of the person auditing the claim.~~

~~“5. Number and date of warrant issued.~~

~~“6. Initials of the person comparing the claim and warrant.”]~~

SECTION 5. Article 4356, Revised Statutes, is repealed.

SECTION 6. Section (a), Article 4357, Revised Statutes, as amended, is amended to read as follows:

“(a) No warrant shall be prepared except on presentation to the warrant clerk of a properly audited claim, *verified* ~~[certified]~~ to its correctness *by the agency submitting the claim,* ~~[the proper auditing of which claim shall be evidenced by the initials written thereon by the person auditing the same;]~~ and such claim *so verified* ~~[certified]~~ and audited shall be sufficient and the only authority for the preparation of a warrant or warrants. No claim shall be paid from appropriations unless presented to the Comptroller for payment within two (2) years from the close of the fiscal year for which such appropriations were made, but any claim not presented for payment within such period may be presented to the Legislature as other claims for which no appropriations are available. No warrant shall be drawn against an appropriation of a special fund unless there is sufficient cash money in the fund in the State Treasury to pay such warrant, and no warrant ~~[; general or special;]~~ shall be released or delivered by the Comptroller unless there is sufficient balance in the appropriation against which the warrant is drawn to pay such warrant. ~~[When a claim has been audited and warrant drawn therefor, the claim shall be numbered with the same number as the warrant; and such claim shall be filed numerically according to class: ‘general,’ ‘special,’ ‘pension,’ respectively.]~~ The claims, as paid, shall be filed in such method as may be found most advisable to the Comptroller. After the expiration of two (2) years such claims shall be removed from the files and stored as records.”

SECTION 7. Article 4358, Revised Statutes, is repealed.

SECTION 8. Article 4359, Revised Statutes, as amended, is amended to read as follows:

“Article 4359. PAY WARRANTS REGISTER. The Comptroller shall provide a pay warrant register ~~[for each class of pay warrants, each volume of which shall be appropriately designated by class, number or otherwise].~~ When a pay warrant is prepared, it shall be registered in the pay warrant register ~~[for the class to which it belongs];~~ and such registry shall consist of an entry of the amount of the warrant, name of the payee, appropriation to which charged, and such other information as may be deemed advisable by the Comptroller. After a warrant has been prepared and registered as herein provided it ~~[shall be checked against the claim, and the warrant number shall be entered on the claim papers. The~~

initials of the person checking the warrant with the claim shall be written on both the warrant and the claim, and the warrant together with the claim upon which it is based shall be passed to the Comptroller for his *authorization or signature*, except as provided by Article 4359a, Revised Civil Statutes of Texas, 1925, as added, or for the signature of such person as may be authorized by law to sign the same in his stead; and such warrant together with a copy of the warrant register shall then be passed to the State Treasury and registered in the Treasury, and *authorized or signed*, except as provided by Article 4359a, Revised Civil Statutes of Texas, 1925, as added, by the State Treasurer or some person authorized by law to sign for him, and returned to the Comptroller's Department. Such warrant shall then be delivered by the Comptroller to the person entitled to receive it, and the Comptroller shall at his option take a receipt therefor and file the receipt in his office. The Comptroller shall also keep a 'warrants cancelled register' in which shall be entered the details of all warrants cancelled.

"It is hereby provided that a department, court, school, or other state agency may prepare and present payroll claims to the Comptroller prior to the end of the payroll period, which said payroll claims shall be verified [by affidavit] as to services theretofore actually performed within such payroll period prior to the date of such payroll claims; and such payroll claims need not be verified [by affidavit] as to any services to be performed during such payroll period subsequent to the date of such payroll claims. Such claims when so presented shall be prepared and approved as otherwise provided below. The Comptroller shall accept such payroll claims [claim] when presented and prepare warrants in payment thereof prior to date such claims become due and payable, and hold such warrants for delivery until the claims become due and payable. Such warrants shall be dated as of the due date of the claim and shall not be delivered to the claimant until the end of the pay period. The Treasurer is hereby authorized to countersign such warrants and to make such entry as to properly take them into account. In order that such warrants may be ready for delivery at the end of the pay period the Comptroller is authorized to make such rules and regulations as may be necessary for filing payroll claims in advance of the pay period, and for the preparation and writing of warrants in payment thereof to adequately and properly achieve such purpose.

"One person shall be designated by the Comptroller as Chief of the Claims Division, and such person shall prepare or be responsible for the preparation of all pay warrants, and shall be accountable to the Comptroller for warrants coming into his possession."

SECTION 9. Article 4365, Revised Statutes, as amended, is amended to read as follows: "Article 4365. **DUPLICATE WARRANTS.** The Comptroller, when satisfied that any original warrant drawn upon the State Treasurer has been lost, destroyed, [or] stolen, or has not been received, or that the payee's endorsement on the original warrant has been forged, or when any certificate or other evidence of indebtedness approved by the auditing board of the State has been lost, is authorized to issue a duplicate warrant in lieu of the original warrant or a duplicate or a copy of such certificate, or other evidence of indebtedness in lieu of such original; but no such duplicate warrant, or other evidence of indebtedness, shall issue until the applicant has filed with the Comptroller his affidavit, stating that he is the true owner of such instrument, and that the same *has not been received, or is in fact lost, destroyed, or stolen, or that the payee's endorsement on the instrument has been forged.* The applicant [; and] shall also file with the Comptroller his bond in [double] the amount of the claim [with two or more good and sufficient sureties], payable to the Governor, to be approved by the Comptroller, and conditioned that the applicant will hold the State harmless and return to the Comptroller, upon demand being made therefor, such duplicates or copies, or the amount of money named therein, together with all costs that may accrue against the State on collecting the same. Provided, however, that any state department, court, school, school district, or other state agency, or federal agency, shall not be required to make bond for the issuance of duplicate warrants. The head of such state agency or federal agency and one other person connected with the handling of warrants for such agency shall be required to make the affidavit for duplicate to issue in case of lost or destroyed warrant belonging to such agency. [In the case of a stolen warrant or a warrant on which the payee's endorsement has been forged, if the Comptroller is satisfied that the warrant is in the possession of the appropriate law enforcement officials, and if the applicant is the same person as the payee, the Comptroller may issue the duplicate warrant without requiring a bond.] Any entity, other than a law enforcement official, that has possession of a stolen warrant or a warrant on which the payee's endorsement has been forged shall immediately deliver the warrant to the issuing agency or the Comptroller upon request. The agency or Comptroller shall then issue a receipt for the warrant. After the issuance of said duplicate or copy if the Comptroller should ascertain that the same was improperly issued, or that the applicant or party to whom the same was issued was not the owner thereof, he shall at once demand the return of said duplicate or copy if unpaid, or the amount paid out by the State, if so paid; and, upon failure of the party to return same or the amount of money called for, suit shall be instituted upon said bond in Travis County. The Comptroller

shall adopt rules, regulations, and forms regarding the issuance of duplicate warrants. *Failure to reimburse the State on demand shall constitute a debt to the State and any further payments to applicants shall be held under the authority of Article 4350, Revised Statutes, as amended.*"

SECTION 10. Article 4393, Revised Statutes, as amended, is amended to read as follows:

"Article 4393. **SECURITIES REGISTER.** The Treasurer shall keep a suitable register in which to enter all bonds, cash and other securities lodged with him by bond investment, surety and insurance companies, and State depository banks, and all other bonds or securities lodged with him under the provisions of the Statutes, the registration of which is not otherwise provided for by law; in which he shall enter the deposit receipts or other authorizations to receive or relinquish such bonds or securities. ~~[The receiving and relinquishment of these securities shall be on the authority of the Comptroller.]~~ He shall also keep a 'securities ledger' in which shall be kept appropriate accounts for all matters for which such deposit receipts or authorizations are issued, which ledger shall be balanced monthly against control account to be kept in the 'general ledger' and with like accounts to be kept by the Comptroller."

SECTION 11. Chapter 212, Acts of the 49th Legislature, Regular Session, 1945, as amended (Article 4393a, Vernon's Texas Civil Statutes), is amended to read as follows:

"Article 4393a. **TRUST FUNDS.** All moneys and other securities placed in the hands of the State Treasurer in trust for any legal purpose shall be received by the State Treasurer on a deposit receipt issued by the State Comptroller as provided in Article 4354, Revised Civil Statutes of Texas, 1925, as amended by House Bill No. 495, Chapter 243, Acts of the Regular Session, 42nd Legislature. Such moneys or other securities shall be held in trust by the State Treasurer in like manner as the Departmental Suspense Account is held under Article 4388, Revised Civil Statutes of Texas, 1925, as amended by House Bill No. 493, Chapter 242, Acts of the Regular Session, 42nd Legislature. Such moneys or other securities shall be withdrawn by trust and suspense draft in the case of money, and withdrawal authorization in the case of other securities, which instruments shall be issued serially ~~[and signed, except as provided by Article 4350a, Revised Civil Statutes of Texas, 1925, as added,]~~ by the State Comptroller. Any and all moneys received in trust, or for any legal purpose for which a state deposit warrant has not or cannot immediately be issued, shall be handled by the Treasurer in the same manner as items deposited in departmental suspense accounts. All moneys and securities now held in trust in the State Treasury shall immediately be transferred to the trust and suspense section of the state's accounting, and thenceforth transferred, refunded or disposed of according to the provisions of this Act. Adequate registers, ledgers and files shall be maintained by the State Treasurer, and by the State Comptroller, to account for the receiving and disposing of all trust and suspense moneys and other securities, which registers and ledgers shall be known as 'Trust and Suspense Record.'

"Nothing herein shall be construed as amending Section 2 of House Bill No. 684, Chapter 3, Acts of the Regular Session, 46th Legislature; nor as amending Senate Bill No. 89, Chapter 324, Acts of the Regular Session of the 48th Legislature."

SECTION 12. Section 31.039, Human Resources Code, is amended to read as follows:

"Section 31.039. **ISSUANCE OF DUPLICATE ASSISTANCE WARRANTS.** ~~The~~ ~~[(a) Except as provided by Subsection (b) of this section, the]~~ comptroller may issue a duplicate financial assistance warrant to a recipient who has failed to receive or has lost the original warrant in accordance with Article 4365, Revised Civil Statutes of Texas, 1925, as amended.

~~"[(b) The comptroller may not issue a duplicate financial assistance warrant after one year from the date the original warrant was issued.]"~~

SECTION 13. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on February 11, 1985, by a viva-voce vote; passed the House on May 16, 1985, by a non-record vote.

Filed: June 15, 1985, without signature.

Effective: August 26, 1985