

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4173-01
BILL NO.: HB 1875
SUBJECT: State Auditor; Audit Costs
TYPE: Original
DATE: February 4, 2000

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON STATE FUNDS | | | |
|---|-----------------|----------------|----------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| General Revenue | \$30,000 | \$3,000 | \$3,000 |
| | | | |
| Total Estimated Net Effect on <u>All</u> State Funds | \$30,000 | \$3,000 | \$3,000 |

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| None | \$0 | \$0 | \$0 |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|-------------------|------------------|------------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| Local Government | (\$30,000) | (\$3,000) | (\$3,000) |

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Auditor (SAU)** assume the proposal would result in the collection of past-due accounts receivable of approximately \$30,000 in revenues in FY 01 (based on collection of 50% of the approximately \$60,000 currently past-due), and an estimated \$3,000 in future years. This amount is based upon historical data regarding the annual number of delinquent petition audit accounts.

Officials from the **Department of Revenue (DOR)** and the **Office of the State Treasurer (STO)** assume the proposed legislation would have no fiscal impact on their agencies.

| <u>FISCAL IMPACT - State Government</u> | FY 2001 (10 Mo.) | FY 2002 | FY 2003 |
|---|---------------------|---------|---------|
|---|---------------------|---------|---------|

GENERAL REVENUE FUND

Savings - Office of the State Auditor (SAU)

Monies withheld from political subdivisions,
municipalities, public bodies for unpaid
billings for petition audits

| | | |
|----------|---------|---------|
| \$30,000 | \$3,000 | \$3,000 |
|----------|---------|---------|

| <u>FISCAL IMPACT - Local Government</u> | FY 2001 (10 Mo.) | FY 2002 | FY 2003 |
|---|---------------------|---------|---------|
|---|---------------------|---------|---------|

Costs

Withholdings for unpaid billings
for petition audit costs

| | | |
|------------|-----------|-----------|
| (\$30,000) | (\$3,000) | (\$3,000) |
|------------|-----------|-----------|

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

MLW:LR:OD:005 (9-94)

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The proposed legislation authorizes the State to withhold moneys otherwise due to a political subdivision if the subdivision does not pay the State Auditor for an audit that had been requested by the qualified voters of the political subdivision.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

This proposal would not affect Total State Revenues.

SOURCES OF INFORMATION

Office of the State Auditor
Department of Revenue
Office of the State Treasurer

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized and cursive.

Jeanne Jarrett, CPA
Director
February 4, 2000