



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1203

PRINTERS NO. 1738

PRIME SPONSOR: Ryan

COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	\$0	\$0
Municipal Funds	\$0	\$0
Municipal Authority Funds	\$0	\$0

SUMMARY: Requires that the annual audit of an authority must comply with state and federal standards and allows the incorporating municipality to request assistance from the Auditor General. This legislation would take effect in 60 days.

ANALYSIS: This legislation amends the Municipality Authorities Act to add new standards for annual audits of a municipal authority. An authority must comply with the following standards:

- Generally accepted government auditing standards, including those published by the federal General Accountability Office.
- The federal Single Audit Act of 1984.
- The federal guidelines for uniform administrative requirements, cost principles and audit requirements for federal awards.
- Any other federal or state financial audit requirements.

This legislation also authorizes the incorporating municipality to request that the Auditor General perform a financial audit of the authority if the authority fails to complete their annual audit.

FISCAL IMPACT: This legislation would have no adverse fiscal impact on Commonwealth, municipal or municipal authority funds. It is presumed that if the Auditor General is requested by a municipality to perform the authority audit, the audit would be at the expense of the authority as permitted under Section 5612(b)(4).

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: June 26, 2019

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.