



# HOUSE COMMITTEE ON APPROPRIATIONS

## FISCAL NOTE

HOUSE BILL NO. 1582

PRINTERS NO. 2577

PRIME SPONSOR: Greiner

### COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
Second Class Township Funds	\$0	\$0

**SUMMARY:** Allows Second Class townships the option to eliminate the position of Elected Auditor and replace it with an independent auditor. If the supervisors choose to eliminate the position, they will have to pass an ordinance to set the salaries of any supervisor that holds employment with the township for six years. This legislation would take effect in 60 days.

**ANALYSIS:** This legislation authorizes township supervisors the option to, by ordinance, eliminate the position of elected auditor and replace the board of auditors with an independent auditor who must be one of the following: a certified public accountant, a firm of certified public accountants, a competent public accountant or a competent firm of public accountants.

If the township supervisors choose to eliminate the position of auditor, they must reappoint the independent auditor annually by resolution prior to the close of the fiscal year. The appointed auditor shall examine, audit and settle the records of the township for each fiscal year under contract and provide a report to the township secretary, so that the secretary can publish the annual financial statement. The independent auditor shall also exercise the same powers as an elected auditor except for setting the salaries of any supervisor that holds employment with the township.

After the elimination of the position of elected auditor, the duty of setting the salaries shall be done by ordinance. The ordinance shall detail the salaries of any supervisor that holds employment with the township for six years and cannot be adjusted for six years. This ordinance may be passed by the board of supervisors prior to the effective date of the abolishment of the board of auditors. Separate from the ordinance that sets the salaries, the supervisors can pass a separate ordinance to make changes to other forms of compensation as needed, which shall not take effect until the start of the supervisors next term of office.

This legislation also sets up a procedure to remove the office of auditor from the ballot by the county board of elections. The legislation also establishes a procedure to reimplement the office in the future.

**FISCAL IMPACT:** This legislation would have no adverse fiscal impact on Commonwealth or second class township funds.

**PREPARED BY:** Tim Rodrigo  
House Appropriations Committee (R)

**DATE:** July 7, 2020

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