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BILL ANALYSIS

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Senate Bill 1292 (as introduced 5-31-00)  
Sponsor: Senator Bill Bullard, Jr.  
Committee: Local, Urban and State Affairs

Date Completed: 9-27-00

## **CONTENT**

The bill would amend the Uniform Budgeting and Accounting Act to do the following:

- Require all local units of government to conform to uniform standards as set forth by the governmental accounting standards board or by a successor organization that established national generally accepted accounting standards and was determined acceptable to the State Treasurer. (Currently, local units must conform to the uniform standards set forth in a publication of the Municipal Finance Officers' Association of the U.S. and Canada.)
- Revise the definition of "local unit" to delete reference to an authority or organization of government established by law that may issue obligations under the Municipal Finance Act or levy a property tax. (The bill would retain reference to an authority or organization of government that may spend funds of the authority or organization.)
- Designate the chief administrative officer, rather than the fiscal officer as currently provided, of each local unit as the person who must file the annual financial report with the State Treasurer, and delete all other references to fiscal officer.
- Require that one copy of a local unit's annual financial report, audit report, and auditing procedures be filed with the State Treasurer within six months, rather than 120 days as currently provided, after the end of the local unit's fiscal year.
- Delete a requirement that the State Treasurer grant a 60-day extension if the local unit presents evidence that an audit is in progress, and will be completed within 180 days after the end of the fiscal year. (A local unit still could request, and the State Treasurer could grant, an extension.)
- Delete requirements that a local unit's recommended budget include the amounts needed to pay and discharge the principal and interest of debt due in the ensuing year, the amount of proposed capital outlay expenditures, and an informational summary of projected revenue and expenditures of any special assessment funds, public improvement or building and site funds, intragovernmental service funds, or enterprise funds.

MCL 141.421 et al.

Legislative Analyst: N. Nagata

## **FISCAL IMPACT**

The bill would have no fiscal impact on the State. Some local units could be required to alter software or other operations to comply with government accounting standards as required by the bill, and these changes could result in some local units' incurring additional one-time expenses. However, such expenses would likely be minimal.

Fiscal Analyst: D. Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.