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STATUTORY REFERENCES TO THE AUDITOR GENERAL

**Senate Bills 891, 893, and 917 as passed
by the Senate
First Analysis (5-9-02)**

**Sponsor: Sen. Thaddeus McCotter
House Committee: House Oversight and
Operations
Senate Committee: Government
Operations**

THE APPARENT PROBLEM:

As part of the rewriting of the state constitution in 1963, the office of auditor general was converted from an elected position to a position appointed by the legislature. The 1963 constitution requires the auditor general to conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state, and to conduct performance post audits of those entities. It also authorizes the auditor general to make investigations pertinent to the conduct of audits, and requires the auditor general to report annually (and at other times as considered necessary) to the legislature and the governor. The constitution says that the auditor general "shall be assigned no other duties than those specified" in the constitution (Article 4, Section 53).

Accordingly, the Executive Organization Act of 1965 transferred all of the auditor general's powers (except those granted under the constitution) to the Department of Treasury. However, many statutes that refer to the auditor general were never amended to reflect these changes. A package of bills has been introduced to change statutory references to reflect these changes in duties of the auditor general (and in some cases to repeal unneeded statutes).

THE CONTENT OF THE BILLS:

Senate Bill 891 would repeal Public Act 182 of 1881 (MCL 483.201 to 483.228). The act provides for the incorporation of brine pipe line companies, and deals with such matters as articles of incorporation, issuance of stock, annual meetings, officers and agents, labor liens, staking of pipe lines, construction of pipe lines, borrowing, an annual state tax, and so forth. (Section 22 of the act requires each company

organized under the act to file an annual report with the auditor general.)

Senate Bill 893 would amend the Revised Judicature Act (MCL 600.2123 et al.) to replace references to the auditor general with references to the state treasurer.

Senate Bill 917 would amend Public Act 130 of 1907 (MCL 211.451 et al.), which deals with purchases of state land, to replace references to the auditor general with references to the state treasurer. The bill would also substitute references to the Department of Natural Resources for references to the "commissioner of the state land office".

BACKGROUND INFORMATION:

Duties and operations of the Office of the Auditor General. The Office of the Auditor General's web site (www.state.mi.us/audgen) provides information about the office's constitutional and statutory responsibilities, including financial audits, single audits, performance audits, and combined performance and financial audits. The site also contains the text of audit reports completed by the office.

FISCAL IMPLICATIONS:

According to the Senate Fiscal Agency, the bills have no fiscal implications. (2-14-02)

ARGUMENTS:

For:

The bills are part of a large package of legislation that would simply "clean up" many statutory

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references that have been obsolete since the office of auditor general became an appointed position with the adoption of the 1963 state constitution. The functions referred to in many of the listed statutes have long since been transferred to the treasury department, or have been abolished. With many citizens now using electronic search engines and Internet access to obtain information about state government, these outdated references simply serve to confuse people, and they should be removed from the compiled laws.

POSITIONS:

The Office of the Auditor General supports the bill.
(2-12-02)

Analyst: D. Martens

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.