



STATUTORY REFERENCES TO AUDITOR GENERAL

House Bills 5707, 5709, and 5711 with
committee amendments
House Bills 5708, 5710, 5712 and 5722 as
introduced
Sponsor: Rep. Bruce Patterson

House Bill 5742 as introduced
Sponsor: Rep. Wayne Kuipers

Committee: House Oversight and
Operations

Senate Bills 908-913, 915, 916, and 918 as
passed by the Senate
Sponsor: Sen. Thaddeus McCotter

Senate Committee: Government
Operations
House Committee: House Oversight and
Operations

First Analysis (12-10-02)

House Bills 5707-5712, 5722, 5742,
Senate Bills 908-913, 915-916 and 918 (12-10-02)

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.

THE CONTENT OF THE BILLS:

The bills would amend several acts to delete references to certain duties of the auditor general.

House Bill 5707 would amend the Michigan Estate Tax Act (MCL 205.201a et al.) to eliminate references to the auditor general, and replace them with references to the state treasurer, in provisions pertaining to the administration of the estate tax.

House Bill 5708 would amend Public Act 226 of 1889 (MCL 207.441 et al.), which pertains to the collection of specific taxes on business entities, to eliminate references to the auditor general, and replace them with references to the state treasurer, in provisions pertaining to the administration of these taxes.

House Bill 5709 would amend Public Act 292 of 1931 (MCL 211.393), to replace references to the auditor general with references to the state treasurer in a provision dealing with delinquent drain taxes and highway assessments.

House Bill 5710 would amend Public Act 133 of 1933 (MCL 211.403a et al.) to eliminate references to the auditor general and replace them with references to the state treasurer in provisions dealing with authorization to receive certain bonds and coupons and other obligations in payment of taxes. The bill would also delete a provision that requires the auditor general, a county treasurer, or other tax collecting officer to accept bonds or coupons issued by the Home Owners Loan Corporation in the refinancing of a mortgage in payment of taxes or special assessments.

House Bill 5711 would amend Public Act 59 of 1915 (MCL 247.434 et al.), concerning taxes and special assessments for highway purposes, to replace references to the auditor general with references to the state treasurer.

House Bill 5712 would amend the Aeronautics Code of the State of Michigan (MCL 259.35) to change references to the auditor general to refer instead to the state treasurer in a provision dealing with expenditures from the state aeronautics fund.

House Bill 5722 would amend the General Property Tax Act (MCL 211.35 et al.) to replace references to the auditor general with references to the state treasurer in provisions concerning the administration of the property tax.

House Bill 5742 would amend Public Act 302 of 1921 (MCL 388.551), which concerns nonpublic schools, to eliminate references to the auditor general and replace them with references to the state treasurer in a provision that deals with payment of employees of the Department of Education.

Senate Bill 908 would amend the military bonus bonds act (MCL 35.901) to replace references to the auditor general with references to the state treasurer in provisions dealing with the issuance of bonds to pay bonuses to WWII veterans.

Senate Bill 909 would amend the Veterans' Military Pay Act (MCL 35.928) to delete a reference to the auditor general in a provision pertaining to expenses for implementing the act.

Senate Bill 910 would amend the Korean Veterans' Military Pay Fund Act (MCL 35.977 and 35.979) to delete references to the auditor general in provisions concerning claims under the act.

Senate Bill 911 would amend Public Act 72 of 1945 (MCL 286.255) to eliminate references to the auditor general and replace them with references to the state treasurer in provisions dealing with state payment for damages due to destructive insects or contagious plant diseases.

Senate Bill 912 would amend Public Act 311 of 1905 (MCL 15.71 and 15.72), which pertains to the furnishing of bonds by state officials, to delete references to the auditor general.

Senate Bill 913 would amend the statute entitled "Of the superintendence and dispositions of the public lands" (MCL 322.319) to delete a reference to the auditor general in a provision dealing with the sale of state lands. The bill would also to eliminate a requirement that a statement of payments be transmitted by the state treasurer each month to the commissioner of the land office.

Senate Bill 915 would amend Public Act 162 of 1933 (MCL 211.255), which deals with the levy of taxes in municipal school districts, to replace a reference to the auditor general with a reference to the state treasurer.

Senate Bill 916 would amend Public Act 92 of 1943 (MCL 211.371 et al.), which deals with state-owned lands, to eliminate references to the auditor general under that act and replace them with references to the state treasurer.

Senate Bill 918 would amend Public Act 263 of 1897 (MCL 211.541), which deals with payment of taxes on land held as "state tax lands", to replace references to the auditor general with references to the state treasurer.

BACKGROUND INFORMATION:

Related legislation. The bills are part of a larger package of legislation, which also includes House Bills 5611-5615, 5661-5663, 5664-5673, 5713-5721, and Senate Bills 884-907 and 917.

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, none of the Senate bills would have any fiscal impact on the state or local units of government. (2-11-02)

ARGUMENTS:

For:

The bills would simply “clean up” many statutory 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.

Response:

Many of the acts being amended date from the 1800s. Perhaps the legislature should take this opportunity to examine these acts to see if they need to be retained in statute. Additionally, reportedly some of the bills in this package are in need of technical amendments.

POSITIONS:

The Office of the Auditor General supports the bills. (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.