

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bills 5716 and 5719 (as reported without amendment)
House Bill 5720 (Substitute H-1 as reported without amendment)
House Bill 5721 (Substitute H-1 as reported without amendment)
House Bills 5722 and 5742 (as reported without amendment)
Sponsor: Representative Gilda Z. Jacobs (H.B. 5716)
Representative Wayne Kuipers (H.B. 5719-5721 & 5742)
Representative Bruce Patterson (H.B. 5722)
House Committee: House Oversight and Operations
Senate Committee: Government Operations

Date Completed: 7-17-02

RATIONALE

Article 4, Section 53 of the State Constitution requires the Legislature to appoint an Auditor General, for an eight-year term. The Legislative Auditor General must conduct post audits and performance post audits of the financial transactions and accounts of the State and its departments, offices, agencies, boards, and commissions, and report at least annually to the Legislature and the Governor. Upon the direction of the Legislature, the Auditor General may employ independent accounting firms or legal counsel, and make investigations pertinent to the conduct of audits. The Auditor General "shall be assigned no duties other than those specified in this section".

Article 4, Section 53 was adopted as part of the present State Constitution of 1963. Prior to that, in the State Constitution of 1908, the Auditor General was an elected position and the Auditor General was given many statutory duties. Public Act 43 of 1959 transferred the warrant functions of the Auditor General to the Department of Treasury. Further, the Executive Organization Act of 1965 transferred to the Department of Treasury all of the Auditor General's powers, except those granted in Article 4, Section 53.

Currently, many statutes authorize the Auditor General to perform various functions, such as executing pay warrants, auditing plats, and performing duties related to property taxes, because the statutes were never amended to reflect the changes. It has been suggested that these references to the Auditor General

be removed.

CONTENT

The bills would amend various statutes to remove references to the Auditor General.

House Bill 5716 would amend Public Act 230 of 1941, which allows the Auditor General to sell or lease certain real estate granted or given to the State. House Bill 5719 would amend Public Act 16 of the 1st Extra Session of 1942, which pertains to the receipt of grants from the Federal government for public schools.

House Bill 5720 (H-1) would repeal Sections 10, 12, 14, and 16 of Public Act 116 of 1893, which provides for the maintenance and management of the Michigan School for the Deaf. Section 10 requires certain inventory records to be kept by the school's board, and filed with the Auditor General. Section 12 authorizes the board to draw money from the State General Fund "as shall be made to appear to the Auditor General to be necessary...". Section 14 pertains to the payment of board members' expenses by the Auditor General. Section 16 allows the board to grant to poor students up to \$60 per year for clothing and other necessities, as issued by the Auditor General.

House Bill 5721 (H-1) would repeal Sections 9 and 10 of Public Act 123 of 1893, which provides for the maintenance and supervision

of the Michigan School for the Blind. Section 9 requires the Secretary of State to compile a list of all blind children in the State; requires parents, under certain circumstances, to send their blind children to the school; and requires the Auditor General to make payments for certain transportation expenses. Section 10 allows the school's board to grant to poor students up to \$50 per year for clothing and other necessities, as issued by the Auditor General.

House Bill 5722 would delete references to the Auditor General from the General Property Tax Act.

House Bill 5742 would amend Public Act 302 of 1921, which provides for the supervision of private, denominational, or parochial schools.

MCL 322.1 et al. (H.B. 5716)
388.803 (H.B. 5719)
393.60 et al. (H.B. 5720)
393.109 & 393.110 (H.B. 5721)
211.35 et al. (H.B. 5722)
388.551 (H.B. 5742)

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bills would remove obsolete references to the Auditor General in several statutes. Many powers and duties given to the Auditor General in various statutes are no longer applicable, since the current State Constitution prescribes the appointment and duties of the Auditor General, and prohibits the Auditor General from being assigned duties other than those specified. References to the powers and duties of the Auditor General in these statutes may mislead citizens who read them; thus, the references should be removed.

Legislative Analyst: George Towne

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

Fiscal Analyst: Jessica Runnels

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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.