



Senate Fiscal Agency
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House Bill 4408 (Substitute S-1 as reported)
Sponsor: Representative Aaron Miller
House Committee: Local Government and Municipal Finance
Ways and Means
Senate Committee: Local Government

CONTENT

The bill would amend the Recreational Authorities Act to delete a requirement that a board obtain an annual audit of the recreational authority and, instead, require a board to obtain an audit of the authority as prescribed below:

- If an authority levied and collected a tax, or if an authority did not levy or collect a tax and had \$100,000 or more in yearly expenditures, the board would have to obtain an annual audit of the authority.
- If an authority did not levy or collect a tax and had less than \$100,000 in yearly expenditures, the board would have to obtain an audit of its financial records, accounts, and procedures at least biennially; however, if any audit as described above disclosed a material deviation from generally accepted accounting practices or from applicable rules and regulations of a State department or agency or disclosed any fiscal irregularity, defalcation, misfeasance, nonfeasance, or malfeasance, the Department of Treasury could require an audit to be conducted in the next year.

MCL 123.1157

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bill would have no fiscal impact on the State, and it could reduce audit costs for recreational authorities that do not levy or collect a tax and have less than \$100,000 in yearly expenditures. The amount of reduced cost would depend on the characteristics of each authority and would be equal to the cost of the audits that were no longer required.

Date Completed: 10-14-19

Fiscal Analyst: Ryan Bergan