

# SENATE BILL 116

P1, P5

6lr1892  
CF HB 84

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By: **The President (By Request – Department of Legislative Services)**

Introduced and read first time: January 14, 2016

Assigned to: Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: February 9, 2016

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **State Government – Office of Legislative Audits – Alterations in Audit**  
3 **Requirements**

4 FOR the purpose of altering the time period during which the Office of Legislative Audits  
5 and the Legislative Auditor are required to audit certain State funds, programs,  
6 authorities, units, and a certain local liquor board; altering the statutory authority  
7 under which the Office of Legislative Audits and the Legislative Auditor are required  
8 to audit certain funds, programs, and units; repealing the requirement that the  
9 Office of Legislative Audits and the Legislative Auditor perform certain audits of  
10 certain licensees, funds, and agencies; repealing the requirement for the Office of  
11 Legislative Audits to approve certain independent auditors selected by certain  
12 corporations and centers; repealing the requirement for the Legislative Auditor to  
13 concur on certain audits of community colleges performed by certain auditors in  
14 order for the audits to meet a certain requirement; repealing the requirement for the  
15 Legislative Auditor to certify a certain form completed by a certain hospital; altering  
16 the time period during which a certain corporation is required to maintain possession  
17 and custody of certain documents related to a certain audit; authorizing, rather than  
18 requiring, the Legislative Auditor to conduct certain post audit examinations and  
19 fiscal/compliance audits of certain funds; repealing the requirement for the Office of  
20 Legislative Audits and the Legislative Auditor to evaluate, audit, and summarize  
21 certain information from certain offices and agencies; altering the time period during  
22 which the Office of Legislative Audits is required to conduct a fiscal/compliance audit  
23 of each unit of the State government, except for units in the Legislative Branch;  
24 repealing the requirement for the Legislative Auditor to evaluate the utilization of  
25 certain funds allocated to certain businesses; repealing the authorization for the

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



- 1 Legislative Auditor to audit certain accounts of a certain system and certain  
2 administrations; making stylistic changes; and generally relating to alterations in  
3 audit requirements for the Office of Legislative Audits.
- 4 BY repealing and reenacting, without amendments,  
5 Article – Agriculture  
6 Section 2–505(a)  
7 Annotated Code of Maryland  
8 (2007 Replacement Volume and 2015 Supplement)
- 9 BY repealing and reenacting, with amendments,  
10 Article – Agriculture  
11 Section 2–505(h)  
12 Annotated Code of Maryland  
13 (2007 Replacement Volume and 2015 Supplement)
- 14 BY repealing and reenacting, without amendments,  
15 Article – Business Regulation  
16 Section 4.5–203(a)(1), 4.5–703(a), and 11–101(i)  
17 Annotated Code of Maryland  
18 (2015 Replacement Volume and 2015 Supplement)
- 19 BY repealing and reenacting, with amendments,  
20 Article – Business Regulation  
21 Section 4.5–203(c) and 4.5–703(e)  
22 Annotated Code of Maryland  
23 (2015 Replacement Volume and 2015 Supplement)
- 24 BY repealing  
25 Article – Business Regulation  
26 Section 11–313(d)  
27 Annotated Code of Maryland  
28 (2015 Replacement Volume and 2015 Supplement)
- 29 BY repealing  
30 Article – Correctional Services  
31 Section 3–510  
32 Annotated Code of Maryland  
33 (2008 Replacement Volume and 2015 Supplement)
- 34 BY repealing and reenacting, without amendments,  
35 Article – Economic Development  
36 Section 10–201(b), 10–401(c), 10–501(f), 10–806(a), and 10–901(c)  
37 Annotated Code of Maryland  
38 (2008 Volume and 2015 Supplement)
- 39 BY repealing and reenacting, with amendments,

- 1 Article – Economic Development  
2 Section 10–227, 10–414, 10–526, 10–825, and 10–911  
3 Annotated Code of Maryland  
4 (2008 Volume and 2015 Supplement)
- 5 BY repealing and reenacting, without amendments,  
6 Article – Education  
7 Section 16–315(b)  
8 Annotated Code of Maryland  
9 (2014 Replacement Volume and 2015 Supplement)
- 10 BY repealing and reenacting, with amendments,  
11 Article – Education  
12 Section 16–315(f)  
13 Annotated Code of Maryland  
14 (2014 Replacement Volume and 2015 Supplement)
- 15 BY repealing and reenacting, without amendments,  
16 Article – Environment  
17 Section 9–1605(a)(1) and 9–1605.1(a)(1)  
18 Annotated Code of Maryland  
19 (2014 Replacement Volume and 2015 Supplement)
- 20 BY repealing and reenacting, with amendments,  
21 Article – Environment  
22 Section 9–1605(a)(6) and 9–1605.1(a)(6)  
23 Annotated Code of Maryland  
24 (2014 Replacement Volume and 2015 Supplement)
- 25 BY repealing and reenacting, with amendments,  
26 Article – Health – General  
27 Section 13–1303(d)(2), 13–2206(c), and 19–216(b)(1)  
28 Annotated Code of Maryland  
29 (2015 Replacement Volume)
- 30 BY repealing and reenacting, without amendments,  
31 Article – Health – General  
32 Section 19–201(b) and (c) and 19–216(a)  
33 Annotated Code of Maryland  
34 (2015 Replacement Volume)
- 35 BY repealing and reenacting, with amendments,  
36 Article – Health Occupations  
37 Section 14–402(f)  
38 Annotated Code of Maryland  
39 (2014 Replacement Volume and 2015 Supplement)

- 1 BY repealing and reenacting, without amendments,  
2 Article – Human Services  
3 Section 11–101(c) and 11–408(a)(2) and (b)(2)  
4 Annotated Code of Maryland  
5 (2007 Volume and 2015 Supplement)
- 6 BY repealing and reenacting, with amendments,  
7 Article – Human Services  
8 Section 11–408(b)(4)  
9 Annotated Code of Maryland  
10 (2007 Volume and 2015 Supplement)
- 11 BY repealing and reenacting, without amendments,  
12 Article – Local Government  
13 Section 30–102(a)  
14 Annotated Code of Maryland  
15 (2013 Volume and 2015 Supplement)
- 16 BY repealing and reenacting, with amendments,  
17 Article – Local Government  
18 Section 30–106(d)(1)  
19 Annotated Code of Maryland  
20 (2013 Volume and 2015 Supplement)
- 21 BY repealing and reenacting, without amendments,  
22 Article – Natural Resources  
23 Section 3–302(a)(1)  
24 Annotated Code of Maryland  
25 (2012 Replacement Volume and 2015 Supplement)
- 26 BY repealing and reenacting, with amendments,  
27 Article – Natural Resources  
28 Section 3–302(e)  
29 Annotated Code of Maryland  
30 (2012 Replacement Volume and 2015 Supplement)
- 31 BY repealing and reenacting, with amendments,  
32 Article – Public Safety  
33 Section 1–309(f)(1) and 2–514  
34 Annotated Code of Maryland  
35 (2011 Replacement Volume and 2015 Supplement)
- 36 BY repealing and reenacting, without amendments,  
37 Article – Public Utilities  
38 Section 7–512.1(a)(1)  
39 Annotated Code of Maryland  
40 (2010 Replacement Volume and 2015 Supplement)

- 1 BY repealing and reenacting, with amendments,  
2 Article – Public Utilities  
3 Section 7–512.1(c)(4)  
4 Annotated Code of Maryland  
5 (2010 Replacement Volume and 2015 Supplement)
- 6 BY repealing and reenacting, without amendments,  
7 Article – State Finance and Procurement  
8 Section 2–701  
9 Annotated Code of Maryland  
10 (2015 Replacement Volume)
- 11 BY repealing and reenacting, with amendments,  
12 Article – State Finance and Procurement  
13 Section 2–702(b) and 3A–506(g)(1)  
14 Annotated Code of Maryland  
15 (2015 Replacement Volume)
- 16 BY repealing and reenacting, with amendments,  
17 Article – State Government  
18 Section 2–1220, 9–1A–34, and 9–1A–35(f)  
19 Annotated Code of Maryland  
20 (2014 Replacement Volume and 2015 Supplement)
- 21 BY repealing and reenacting, without amendments,  
22 Article – State Government  
23 Section 9–101(b) and (c) and 9–1A–35(a)  
24 Annotated Code of Maryland  
25 (2014 Replacement Volume and 2015 Supplement)
- 26 BY repealing  
27 Article – State Government  
28 Section 9–121  
29 Annotated Code of Maryland  
30 (2014 Replacement Volume and 2015 Supplement)
- 31 BY repealing  
32 Article – State Personnel and Pensions  
33 Section 21–127  
34 Annotated Code of Maryland  
35 (2015 Replacement Volume)
- 36 BY repealing and reenacting, without amendments,  
37 Article – Transportation  
38 Section 5–101(b), 6–101(b), and 7–101(b)  
39 Annotated Code of Maryland

(2015 Replacement Volume and 2015 Supplement)

BY repealing

Article – Transportation

Section 5–215.1, 6–212.1, and 7–211.1

Annotated Code of Maryland

(2015 Replacement Volume and 2015 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

### Article – Agriculture

2–505.

(a) The Maryland Agricultural Land Preservation Fund is created and continued for the purposes specified in this subtitle.

(h) The Fund [shall be audited annually] **IS SUBJECT TO AUDIT** by the Legislative Auditor [in the manner prescribed by law] **AS PROVIDED IN § 2–1220 OF THE STATE GOVERNMENT ARTICLE.**

### Article – Business Regulation

4.5–203.

(a) (1) There is a Home Builder Registration Fund.

(c) The [Office of Legislative Audits shall audit the] accounts and transactions of the Registration Fund [under §] **SHALL BE SUBJECT TO AUDIT BY THE LEGISLATIVE AUDITOR IN ACCORDANCE WITH §§ 2–1220 THROUGH 2–1227** of the State Government Article.

4.5–703.

(a) The Division shall:

(1) establish a Home Builder Guaranty Fund; and

(2) maintain the Guaranty Fund at a level of at least \$1,000,000.

(e) The [Office of Legislative Audits shall audit the] accounts and transactions of the Guaranty Fund [under §] **SHALL BE SUBJECT TO AUDIT BY THE LEGISLATIVE AUDITOR IN ACCORDANCE WITH §§ 2–1220 THROUGH 2–1227** of the State Government Article.

1 11-101.

2 (i) "Licensee" means a person who has been awarded racing days for the current  
3 calendar year.

4 11-313.

5 [(d) The Office of Legislative Audits shall audit each licensee at least once every 2  
6 years in accordance with the provisions of §§ 2-1217 through 2-1227 of the State  
7 Government Article.]

## 8 Article – Correctional Services

9 [3-510.

10 (a) The Legislative Auditor shall conduct audits of Maryland Correctional  
11 Enterprises in accordance with Title 2, Subtitle 12, Part IV of the State Government Article.

12 (b) The Legislative Auditor shall advise officials of Maryland Correctional  
13 Enterprises of the frequency of audits to be conducted.

14 (c) Maryland Correctional Enterprises shall bear the cost of the fiscal portion of  
15 a post audit examination.]

## 16 Article – Economic Development

17 10-201.

18 (b) "Authority" means the Maryland Food Center Authority.

19 10-227.

20 [(a) The Legislative Auditor[:

21 (1)] may conduct a fiscal and compliance audit of the accounts and  
22 transactions of the Authority [yearly or every 2 years; and

23 (2) shall advise officials of the Authority whether the audit will be yearly  
24 or every 2 years.

25 (b) The Authority shall pay the cost of the fiscal part of the post audit  
26 examination] **AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.**

27 10-401.

28 (c) "Corporation" means the Maryland Technology Development Corporation.

1 10-414.

2 The books and records of the Corporation are subject to audit:

3 (1) at any time by the State; and

4 (2) each year by an independent auditor [that the Office of Legislative  
5 Audits approves].

6 10-501.

7 (f) "Corporation" means the Maryland Agricultural and Resource-Based  
8 Industry Development Corporation.

9 10-526.

10 The books and records of the Corporation are subject to audit:

11 (1) by the State at its discretion; and

12 (2) each year by an independent auditor [approved by the Office of  
13 Legislative Audits].

14 10-806.

15 (a) There is a Maryland Clean Energy Center.

16 10-825.

17 The books and records of the Center are subject to audit:

18 (1) at any time by the State; and

19 (2) each year by an independent auditor [that the Office of Legislative  
20 Audits approves].

21 10-901.

22 (c) "Corporation" means the Maryland Public-Private Partnership Marketing  
23 Corporation.

24 10-911.

25 The books and records of the Corporation are subject to audit:



1 (1) at any time by the State; and

2 (2) each year by an independent auditor [that the Office of Legislative  
3 Audits approves].

#### 4 **Article – Education**

5 16–315.

6 (b) Each community college in the State shall have an annual audit of its books  
7 of accounts, accounting procedures and principles, and other fiscal and operational methods  
8 and procedures in accordance with guidelines as prescribed by the Commission. A copy of  
9 the audit report, together with the related management letter, shall be submitted to the  
10 Commission for review and assessment and to the Legislative Auditor within 90 days of the  
11 close of each fiscal year. The Commission shall ascertain that the community colleges are  
12 audited in accordance with this section.

13 (f) An audit performed by an official auditor of any county or Baltimore City  
14 approved by the Commission [with the concurrence of the Legislative Auditor] shall satisfy  
15 the annual audit requirement if it otherwise meets the requirements of this section.

#### 16 **Article – Environment**

17 9–1605.

18 (a) (1) There is a Maryland Water Quality Revolving Loan Fund. The Water  
19 Quality Fund shall be maintained and administered by the Administration in accordance  
20 with the provisions of this subtitle and such rules or program directives as the Secretary or  
21 the Board may from time to time prescribe.

22 (6) The Water Quality Fund shall be subject to [biennial] audit by the  
23 Office of Legislative Audits as provided for in § 2–1220 of the State Government Article.

24 9–1605.1.

25 (a) (1) There is a Maryland Drinking Water Revolving Loan Fund. The  
26 Drinking Water Loan Fund shall be maintained and administered by the Administration  
27 in accordance with the provisions of this subtitle and such rules or program directives as  
28 the Secretary or the Board may from time to time prescribe.

29 (6) The Drinking Water Loan Fund shall be subject to [biennial] audit by  
30 the Office of Legislative Audits as provided for in § 2–1220 of the State Government Article.

#### 31 **Article – Health – General**

32 13–1303.

1 (d) (2) The [Office of Legislative Audits shall audit the] accounts and  
2 transactions of the Governor's Wellmobile Program **SHALL BE SUBJECT TO AUDIT BY THE**  
3 **LEGISLATIVE AUDITOR** in accordance with §§ 2-1220 through 2-1227 of the State  
4 Government Article.

5 13-2206.

6 (c) The [Office of Legislative Audits shall audit the] accounts and transactions of  
7 the Child Abuse Medical Providers (Maryland CHAMP) Initiative **SHALL BE SUBJECT TO**  
8 **AUDIT BY THE LEGISLATIVE AUDITOR** in accordance with §§ 2-1220 through 2-1227 of  
9 the State Government Article.

10 19-201.

11 (b) "Commission" means the State Health Services Cost Review Commission.

12 (c) "Facility" means, whether operated for a profit or not:

13 (1) Any hospital; or

14 (2) Any related institution.

15 19-216.

16 (a) At the end of the fiscal year for a facility, at least 120 days following a merger  
17 or a consolidation, and at any other interval that the Commission sets, the facility shall  
18 file:

19 (1) A balance sheet that details its assets, liabilities, and net worth;

20 (2) A statement of income and expenses;

21 (3) The most recent Form 990 that the facility filed with the Internal  
22 Revenue Service; and

23 (4) Any other report that the Commission requires about costs incurred in  
24 providing services.

25 (b) (1) A report under this section shall:

26 (i) Be in the form that the Commission requires;

27 (ii) Conform to the uniform accounting and financial reporting  
28 system adopted under this subtitle; and

29 (iii) Be certified [as follows:

1 1. For the University of Maryland Hospital, by the  
2 Legislative Auditor; or

3 2. For any other facility, by its] **BY THE FACILITY’S** certified  
4 public accountant.

5 **Article – Health Occupations**

6 14–402.

7 (f) The [Legislative Auditor shall every 2 years audit the accounts and  
8 transactions of the] Physician Rehabilitation Program **IS SUBJECT TO AUDIT BY THE**  
9 **LEGISLATIVE AUDITOR** as provided in § 2–1220 of the State Government Article.

10 **Article – Human Services**

11 11–101.

12 (c) “Corporation” means the Maryland Legal Services Corporation.

13 11–408.

14 (a) (2) For any fiscal year during which State funds are available to finance  
15 any portion of the operations of the Corporation, the Legislative Auditor may audit the  
16 financial transactions of the Corporation.

17 (b) (2) If owned or in use by the Corporation and necessary to facilitate the  
18 audit, the Corporation shall make available to the Legislative Auditor all:

- 19 (i) books;
- 20 (ii) accounts;
- 21 (iii) financial records;
- 22 (iv) reports;
- 23 (v) files; and
- 24 (vi) other papers or property.

25 (4) Unless the Legislative Auditor requires a longer period of retention, the  
26 items listed in paragraph (2) of this subsection shall remain in the possession and custody  
27 of the Corporation for [3] 4 years.

28 **Article – Local Government**

1 30–102.

2 (a) There is a Baltimore City Police Department Death Relief Fund.

3 30–106.

4 (d) (1) The Fund shall be audited [regularly by the Legislative Auditor and]  
5 from time to time by an independent certified public accountant that the Board retains.

6 **Article – Natural Resources**

7 3–302.

8 (a) (1) There is an Environmental Trust Fund.

9 (e) The Legislative Auditor [shall] **MAY** conduct post audits of a fiscal and  
10 compliance nature of the Fund and of the appropriations and expenditures made for the  
11 purposes of this subtitle. The cost of the fiscal portion of the post audit examinations shall  
12 be an operating cost of the Fund.

13 **Article – Public Safety**

14 1–309.

15 (f) (1) The Legislative Auditor [shall] **MAY** conduct fiscal/compliance audits of  
16 the 9–1–1 Trust Fund and of the appropriations and disbursements made for purposes of  
17 this subtitle.

18 2–514.

19 (a) On or before April 1, 2010, and on or before April 1 of every even–numbered  
20 year thereafter, each local law enforcement unit shall report to the Governor’s Office of  
21 Crime Control and Prevention on the status of crime scene DNA collection and analysis in  
22 its respective jurisdiction for the preceding calendar year, and the Department shall report  
23 to the Governor’s Office of Crime Control and Prevention on the status of crime scene DNA  
24 collection statewide for the preceding calendar year, including:

25 (1) the crimes for which crime scene DNA evidence is routinely collected;

26 (2) the approximate number of crime scene DNA evidence samples  
27 collected during the preceding year for each category of crime;

28 (3) the average time between crime scene DNA evidence collection and  
29 analysis;

1 (4) the number of crime scene DNA evidence samples collected and not  
2 analyzed at the time of the study;

3 (5) the number of crime scene DNA evidence samples submitted to the  
4 statewide DNA data base during the preceding year; and

5 (6) the number of crime scene DNA evidence samples, including sexual  
6 assault evidence, collected by hospitals in the county during the preceding year.

7 (b) [(1)] The Governor's Office of Crime Control and Prevention shall compile  
8 the information reported by the local law enforcement units and the Department under  
9 subsection (a) of this section and [submit the information to the Office of Legislative Audits.

10 (2) The Office of Legislative Audits shall evaluate the information received  
11 under paragraph (1) of this subsection and] submit an annual summary report to the  
12 Governor and, in accordance with § 2-1246 of the State Government Article, the General  
13 Assembly.

#### 14 Article – Public Utilities

15 7-512.1.

16 (a) (1) The Commission shall establish an electric universal service program  
17 to assist electric customers with annual incomes at or below 175% of the federal poverty  
18 level.

19 (c) (4) The [Office of Legislative Audits shall conduct an audit of the] electric  
20 universal service program [at least once every 3 years and shall report the results of the  
21 audit] **SHALL BE SUBJECT TO AUDIT BY THE OFFICE OF LEGISLATIVE AUDITS** in  
22 accordance with [§ 2-1224] **§§ 2-1220 THROUGH 2-1227** of the State Government Article.

#### 23 Article – State Finance and Procurement

24 2-701.

25 In this subtitle, “ethnic affairs unit” means:

26 (1) the Commission on African American History and Culture;

27 (2) the Commission on Indian Affairs; and

28 (3) the Office of Asian-Pacific American Affairs.

29 2-702.

1 (b) An ethnic affairs unit receiving funds under this section shall be subject to [an  
2 annual fiscal] audit by the Legislative Auditor AS PROVIDED IN § 2-1220 OF THE STATE  
3 GOVERNMENT ARTICLE.

4 3A-506.

5 (g) (1) The Legislative Auditor [shall] MAY conduct postaudits of a fiscal and  
6 compliance nature of the Universal Service Trust Fund and the expenditures made for  
7 purposes of § 3A-504(a) of this subtitle and § 3A-602(a) of this title.

## 8 Article – State Government

9 2-1220.

10 (a) (1) In this subsection, “unit” includes each State department, agency, unit,  
11 and program, including each clerk of court and each register of wills.

12 (2) (i) [At least once every 3 years, the] THE Office of Legislative  
13 Audits shall conduct a fiscal/compliance audit of each unit of the State government, except  
14 for units in the Legislative Branch.

15 (II) THE AUDIT OF EACH UNIT SHALL BE CONDUCTED AT AN  
16 INTERVAL RANGING FROM 3 TO 4 YEARS UNLESS THE LEGISLATIVE AUDITOR  
17 DETERMINES, ON A CASE-BY-CASE BASIS, THAT MORE FREQUENT AUDITS ARE  
18 REQUIRED.

19 [(ii)] (III) In determining the audit [schedule] INTERVAL for a unit,  
20 the Office of Legislative Audits shall take into consideration:

21 1. the materiality and risk of the unit’s fiscal activities with  
22 respect to the State’s fiscal activities;

23 2. the complexity of the unit’s fiscal structure; and

24 3. the nature and extent of audit findings in the unit’s prior  
25 audit reports.

26 [(iii)] (IV) Each agency or program may be audited separately or as  
27 part of a larger organizational unit of State government.

28 (3) Performance audits or financial statement audits shall be conducted  
29 when authorized by the Legislative Auditor, when directed by the Joint Audit Committee  
30 or the Executive Director, or when otherwise required by law.

31 (4) (i) In addition to the audits required under paragraph (2) of this  
32 subsection, the Office of Legislative Audits may conduct a review when the objectives of the

1 work to be performed can be satisfactorily fulfilled without conducting an audit as  
2 prescribed in § 2–1221 of this subtitle.

3 (ii) 1. The Office of Legislative Audits has the authority to  
4 conduct a separate investigation of an act or allegation of fraud, waste, or abuse in the  
5 obligation, expenditure, receipt, or use of State resources.

6 2. The Legislative Auditor shall determine whether an  
7 investigation shall be conducted in conjunction with an audit undertaken in accordance  
8 with this subsection or separately.

9 (5) If, on request of the Comptroller, the Joint Audit Committee so directs,  
10 the Office of Legislative Audits shall audit or review a claim that has been presented to the  
11 Comptroller for payment of an expenditure or disbursement and that is alleged to have  
12 been made by or for an officer or unit of the State government.

13 (6) The Office of Legislative Audits shall conduct an audit or review to  
14 determine the accuracy of information about or procedures of a unit of the State  
15 government, as directed by the Joint Audit Committee or the Executive Director.

16 (b) If the General Assembly, by resolution, or the Joint Audit Committee so  
17 directs, the Office of Legislative Audits shall conduct an audit or review of a corporation or  
18 association to which the General Assembly has appropriated money or that has received  
19 funds from an appropriation from the State Treasury.

20 (c) The Office of Legislative Audits may audit any county officer or unit that  
21 collects State taxes.

22 (d) (1) The Office of Legislative Audits shall review any audit report prepared  
23 under the authority of:

24 (i) §§ 16–305 through 16–308 of the Local Government Article, with  
25 respect to a county, municipal corporation, or taxing district; or

26 (ii) § 16–315 of the Education Article, with respect to a community  
27 college.

28 (2) The results of any review made by the Office of Legislative Audits under  
29 paragraph (1) of this subsection shall be reported as provided in § 2–1224 of this subtitle.

30 (e) (1) At least once every 6 years, the Office of Legislative Audits shall  
31 conduct an audit of each local school system to evaluate the effectiveness and efficiency of  
32 the financial management practices of the local school system.

33 (2) The audits may be performed concurrently or separately.

1           (3)     The Office of Legislative Audits shall provide information regarding the  
2 audit process to the local school system before the audit is conducted.

3           (f)     (1)     At least once every [3] 4 years, the Office of Legislative Audits shall  
4 conduct a performance audit of the Board of Liquor License Commissioners for Baltimore  
5 City to evaluate the effectiveness and efficiency of the management practices of the Board  
6 and of the economy with which the Board uses resources.

7           (2)     The performance audit shall focus on operations relating to liquor  
8 inspections, licensing, disciplinary procedures, and management oversight.

9 9–101.

10          (b)     “Agency” means the State Lottery and Gaming Control Agency.

11          (c)     “Commission” means the State Lottery and Gaming Control Commission.

12 [9–121.

13          (a)     (1)     The Legislative Auditor shall audit the accounts and transactions of the  
14 Agency as provided in § 2–1220 of this article.

15          (2)     If the Legislative Auditor gives the Agency advance notice, the  
16 Legislative Auditor may conduct annually a fiscal and compliance audit of the accounts and  
17 transactions of the Agency.

18          (b)     The Agency shall pay the cost of the fiscal part of each audit.]

19 9–1A–34.

20          [(a)]    The Commission shall make an annual report to the Governor and, subject to  
21 § 2–1246 of this article, to the General Assembly:

22           (1)     on the operation and finances of the video lottery facilities;

23           (2)     with the assistance of local police departments and the Department of  
24 State Police, detailing the crimes that occur within the communities surrounding a video  
25 lottery facility; and

26           (3)     on the attainment of minority business participation goals specified for  
27 licensees under § 9–1A–10(a)(1) and (2) of this subtitle and the efforts by licensees to  
28 maintain those goals.

29          [(b)]    Each fiscal year the Legislative Auditor shall audit and evaluate the  
30 information submitted to the Commission by licensees under subsection (a)(3) of this  
31 section, with special emphasis on the licensee’s utilization of contractors across a broad



1 spectrum of its business activities, including those that are functionally related to the  
2 gaming industry.]

3 9-1A-35.

4 (a) There is a Small, Minority, and Women-Owned Businesses Account under the  
5 authority of the Board of Public Works.

6 (f) [Each fiscal year the] **THE** Legislative Auditor shall audit [and evaluate] the  
7 utilization of the funds that are allocated to small, minority, and women-owned businesses  
8 by eligible fund managers under subsection (c)(3) of this section **DURING AN AUDIT OF**  
9 **THE APPLICABLE STATE UNIT AS PROVIDED IN § 2-1220 OF THIS ARTICLE.**

### 10 **Article – State Personnel and Pensions**

11 [21-127.

12 The Legislative Auditor:

13 (1) may conduct an annual or biennial fiscal and compliance audit of the  
14 accounts and transactions of the several systems; and

15 (2) shall advise officials of the several systems whether the audit will be  
16 annual or biennial.]

### 17 **Article – Transportation**

18 5-101.

19 (b) “Administration” means the Maryland Aviation Administration.

20 [5-215.1.

21 At his discretion, the Legislative Auditor may conduct an annual audit of a fiscal and  
22 compliance nature of the accounts and transactions of the Administration in place of  
23 conducting these audits on a biennial basis. Officials of the Administration shall be advised  
24 whether annual or biennial audits will be conducted. The cost of the fiscal portion of the  
25 post audit examinations shall be borne by the Administration.]

26 6-101.

27 (b) “Administration” means the Maryland Port Administration.

28 [6-212.1.

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6 7–101.

7 (b) “Administration” means the Maryland Transit Administration.

8 【7–211.1.

9 At his discretion, the Legislative Auditor may conduct an annual audit of a fiscal and  
 10 compliance nature of the accounts and transactions of the Administration in place of  
 11 conducting these audits on a biennial basis. Officials of the Administration shall be advised  
 12 whether annual or biennial audits will be conducted. The cost of the fiscal portion of the  
 13 post audit examinations shall be borne by the Administration.】

14 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
 15 1, 2016.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.