

HOUSE BILL 254

L2

(8lr1330)

ENROLLED BILL

—Environmental Matters / Budget and Taxation—

Introduced by **Frederick County Delegation**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 ~~Frederick County~~ **Annual Financial Report and Audit Reports - Filing Date**

3 FOR the purpose of altering the date by which Frederick County may file its annual
4 financial report for the fiscal year with the Maryland Department of Legislative
5 Services; ~~and generally relating to the annual financial report of Frederick~~
6 ~~County~~ altering the date by which a certain audit report must be submitted by a
7 county, municipal corporation, or taxing district to the Legislative Auditor;
8 making certain stylistic changes; and generally relating to annual financial and
9 audit reports of counties, municipal corporations, and taxing districts.

10 BY repealing and reenacting, with amendments,
11 Article 19 – Comptroller
12 Section 37 and 40(a)
13 Annotated Code of Maryland
14 (2005 Replacement Volume and 2007 Supplement)

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.

Italics indicate opposite chamber / conference committee amendments.



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

3 **Article 19 – Comptroller**

4 37.

5 (a) (1) Except as provided in paragraph (2) of this subsection, each
6 county, municipal corporation, and taxing district in the State shall by the first day of
7 November after the close of the fiscal year file with the Department of Legislative
8 Services its financial report covering the full period of that fiscal year.

9 (2) (i) Each county, municipal corporation, or taxing district with a
10 population of more than 400,000 may by the first day of January after the close of the
11 fiscal year file with the Department of Legislative Services its financial report
12 covering the full period of that fiscal year.

13 (ii) Unless subparagraph (i) of this paragraph applies, Howard
14 County may by the first day of December after the close of the fiscal year file with the
15 Department of Legislative Services its financial report covering the full period of that
16 fiscal year.

17 **(III) FREDERICK COUNTY MAY BY THE FIRST DAY OF**
18 **JANUARY AFTER THE CLOSE OF THE FISCAL YEAR FILE WITH THE DEPARTMENT**
19 **OF LEGISLATIVE SERVICES ITS FINANCIAL REPORT COVERING THE FULL**
20 **PERIOD OF THAT FISCAL YEAR.**

21 (b) The reports required by subsection (a) of this section shall be:

22 (1) Properly filled in on the form or forms established by the
23 Department as provided in this subtitle; and

24 (2) Verified by the chief executive officer of each county, municipal
25 corporation, and taxing district.

26 40.

27 (a) (1) Except as provided in paragraph (2) of this subsection, each county,
28 [incorporated city or town] MUNICIPAL CORPORATION, and taxing district created by
29 and situated within the State shall have its books, accounts, [records] RECORDS, and
30 reports examined at least once during each fiscal year by the persons and for the
31 purposes specified in this section. The examination shall be made by a certified public
32 accountant in the capacity of either an independent auditor or official auditor of any
33 county or [incorporated city] MUNICIPAL CORPORATION. The auditor shall be in
34 compliance with the provisions of the Maryland Public Accountancy Act. The official

1 auditor shall be approved by the Legislative Auditor for the purposes specified in this
2 section. On such examination, inquiry shall be made into the methods, [accuracy]
3 **ACCURACY**, and legality of the accounts, records, [files] **FILES**, and reports of each
4 county, [incorporated city or town] **MUNICIPAL CORPORATION**, and taxing district.
5 The Legislative Auditor upon [his] **THE LEGISLATIVE AUDITOR'S** own initiative may
6 review or audit the books, [records] **RECORDS**, and reports of any county,
7 [incorporated city or town] **MUNICIPAL CORPORATION**, or taxing district. Any county,
8 [incorporated city or town] **MUNICIPAL CORPORATION**, or taxing district may request
9 the Legislative Auditor to audit its books, [records] **RECORDS**, and reports. If the
10 request is approved, the costs of the examination shall be borne by the auditee. The
11 results of the audit shall be reported, subject to § 2-1246 of the State Government
12 Article, to the Legislative Auditor on such form or forms and in such manner as the
13 Legislative Auditor may prescribe. This report shall be made to the Legislative Auditor
14 by [November 1 after the close of the fiscal year, except that the report may be made to
15 the Legislative Auditor by January 1 after the close of the fiscal year for a county,
16 incorporated city or town or taxing district having a population of more than 400,000]
17 **THE DATE THE COUNTY'S, MUNICIPAL CORPORATION'S, OR TAXING DISTRICT'S**
18 **FINANCIAL REPORT IS REQUIRED TO BE SUBMITTED UNDER § 37 OF THIS**
19 **SUBTITLE.** An audit report filed with the Legislative Auditor is a public record under
20 the provisions of § 10-611 of the State Government Article. Each year the Legislative
21 Auditor shall review the audit reports submitted and shall make a full and detailed
22 report in writing to the State Comptroller and, subject to § 2-1246 of the State
23 Government Article, to the Executive Director of the State Department of Legislative
24 Services of the result of the examination of the books, accounts, [records] **RECORDS**,
25 and reports of each county, [incorporated city or town] **MUNICIPAL CORPORATION**,
26 and taxing district, together with such suggestions as the Legislative Auditor may think
27 advisable to be made with respect to methods of bookkeeping, changes in the uniform
28 system of financial [reporting] **REPORTING**, and changes in the reports of the counties,
29 [incorporated cities or towns] **MUNICIPAL CORPORATIONS**, and taxing districts. In
30 conducting the reviews specified in this section, the Legislative Auditor may review the
31 working papers and other documentation of the auditor. As a result of the Legislative
32 Auditor's reviews, audit reports, working papers, or other documentation may be
33 referred to the State Board of Public Accountancy for action as prescribed in the
34 Maryland Public Accountancy Act. It shall also be the duty of the Legislative Auditor to
35 report all violations by any county, [incorporated city or town] **MUNICIPAL**
36 **CORPORATION**, and taxing district of the requirement and provisions specified in the
37 sections of this subtitle to the State Comptroller and, subject to § 2-1246 of the State
38 Government Article, to the Executive Director of the State Department of Legislative
39 Services. Should any county or [incorporated city or town] **MUNICIPAL**
40 **CORPORATION**, or taxing district fail or refuse to file the audit reports as provided in
41 this section with the Legislative Auditor within the time prescribed or fail or refuse to
42 submit an audit report including financial statements that have been prepared in
43 accordance with generally accepted accounting principles and audited in accordance
44 with generally accepted auditing standards, the State Comptroller, acting upon the
45 advice of the Executive Director of the State Department of Legislative Services, shall be

1 authorized to order the discontinuance of payment of all funds, grants, or State aid
 2 which the county, [incorporated city or town] **MUNICIPAL CORPORATION**, or taxing
 3 district is entitled to receive under State law. This provision shall have specific
 4 reference to all funds, grants, or State aid which the county, [incorporated city or town]
 5 **MUNICIPAL CORPORATION**, or taxing district is entitled to receive under applicable
 6 provisions of State law distributed by the State Comptroller, the clerks of the court, or
 7 other units of State government.

8 (2) Unless the Legislative Auditor determines, on a case-by-case basis,
 9 that more frequent audits are required, the Legislative Auditor may authorize [an
 10 incorporated city or town] **A MUNICIPAL CORPORATION** or taxing district created by
 11 the State with annual revenues of less than \$50,000 in the prior 4 fiscal years to have
 12 an audit conducted once every 4 years.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 14 October 1, 2008.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.