

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE
Revised

House Bill 190

(Howard County Delegation)

Environmental Matters

Budget and Taxation

Annual Financial Audit - Filing Date

This bill requires a local government to submit its annual financial audit report to the Department of Legislative Services on the same date as its annual financial report is due.

Fiscal Summary

State Effect: None.

Local Effect: None. Altering the annual financial audit deadline would not affect local government finances.

Small Business Effect: None.

Analysis

Current Law: Counties, municipal corporations, and taxing districts must file their annual financial audit covering the full period of the previous fiscal year by November 1 to DLS. Counties, municipal corporations, and taxing districts with a population greater than 400,000, however, may take until January 1 to file their financial audits.

Counties, municipal corporations, and taxing districts must also submit an annual financial report covering the full period of the previous fiscal year by November 1 to DLS. Counties, municipal corporations, and taxing districts with a population greater than 400,000, however, may take until January 1 to file their annual financial reports.

Howard County is the only local government in the State where the deadline for submitting the annual financial audit report is not the same as the deadline for submitting

the annual financial report. The annual financial report for Howard County is due to DLS December 1 and the annual financial audit report is due to DLS November 1.

Background: It has been common practice for DLS to grant an extension for the submission of the annual financial audit and the annual financial report upon receipt of a reasonable request from a county, municipal corporation, or special taxing district. The annual financial report due to DLS is commonly known as the *Uniform Financial Report (UFR)*. Chapter 246 of 2002 authorized counties, municipal corporations, and special taxing districts with a population greater than 400,000 to submit their the annual financial audit and the UFR by January 1 of the following year. Baltimore City and Anne Arundel, Baltimore, Montgomery, and Prince George's counties are the only jurisdictions whose population is greater than 400,000. Chapter 226 of 2007 extended the filing deadline for Howard County to submit the UFR until December 1. As of July 1, 2006, Howard County's population is 272,452.

Additional Comments: The fiscal year for counties, municipalities, and special taxing districts in Maryland ends June 30. Of the 19 counties that were required to submit an annual financial audit by November 1, five submitted the report on time. Four counties required an additional 30 days, five required an extra 60 days, two required an extra 90 days, and two required an extra 120 days. One county has not yet submitted its financial audit or UFR for fiscal 2007.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Howard County, Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2008
ncs/hlb Revised - Enrolled Bill - May 5, 2008

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