

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

Senate Bill 828 (Senator Pipkin)
Education, Health, and Environmental Affairs
and Budget and Taxation

Environment - Independent Audit - Use of State Money by Nongovernmental Organizations

This bill requires any nongovernmental organization to have a State-licensed, independent certified public accountant prepare an annual financial audit of the organization's records if it receives money under the Environment Article. The organization must submit a certified copy of the audit to the Governor and the General Assembly by December 31 each year that the organization receives State money.

Fiscal Summary

State Effect: None. The bill primarily regulates the activities of private entities.

Local Effect: None.

Small Business Effect: Potential meaningful adverse impact on small business recipients of funding under the Environment Article.

Analysis

Current Law: The Environment Article authorizes the State to provide many forms of grants, loans, and other types of financial assistance to private enterprises and nonprofit organizations. In addition, the Environment Article requires financial audits and the retention of certified public accountants in connection with the maintenance of certain Maryland Department of the Environment funds and as a result of the provision of assistance to certain local government entities and other bodies corporate and politic.

Additional Comments: Legislative Services advises that it is unclear which entities are intended to be covered by the bill. A nongovernmental entity is not defined in the Environment Article, but is discussed in the context of permit applicants for sanitary landfill facilities. In that context, nongovernmental appears to mean any entity other than a governmental entity; this would include private enterprises as well as nonprofit entities. However, nongovernmental organizations may also mean only nonprofit organizations.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of the Environment, Department of Legislative Services

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mlm/ljm

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