

Robert S. Croslin  
Mayor



Tracey E. Douglas  
City Administrator

February 13, 2024

The Honorable Guy Guzzone, Chairman  
The Honorable Jim Rosapepe, Vice Chairman  
Budget and Taxation Committee  
3 West Miller Senate Office Building  
Annapolis, Maryland 21401

**Re: Support with Amendments for SB747 - Local Government - Annual Audit Reporting Requirements - Alterations**

Dear Chair Guzzone and Vice Chair Rosapepe:

Thank you for the opportunity to submit testimony. While the City of Hyattsville supports fiscal responsibility and accountability, we like many municipalities face challenges retaining reputable auditing firms that support local government. Economic conditions such as COVID-19 can also impact the availability and time commitment from auditing firms. In addition, staff capacity and turnover can affect the timely completion of annual audits for small and mid-size communities. Maximum consideration should be given to municipalities who can show a good faith effort to completing audits or who are affected by conditions outside of their control.

The City of Hyattsville therefore **supports** Senate Bill 747 but strongly encourages the following amendments.

- **Remove the consequences of police aid being discontinued in Section (E) (1).** Providing public safety to residents is of the utmost importance to local government. It is unfair to withhold vital community funding from the governing body and residents trying to work toward compliance with audit requirements. Police funding is critical to public safety.
- **Request increased funding support to the Town Manager Circuit Rider Program.** This program provides significant support for small municipalities and can help address the core concerns of ensuring there are compliant fully functioning local governments. Instead of focusing solely on punitive measures, the conversation should also focus on capacity building opportunities.

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- **Develop a mechanism for demonstrating commitment and progress toward compliance.** The following amendments strive toward that aim:
  - Add Section (E) (3) Allow a provision for municipalities that have previously been in good standing with the state but experienced an extenuating circumstance/s preventing them from remaining current on filing of annual audits.
  - Add (3) (I) Provide a grace period to allow for a county, municipality, or special taxing district to be extended to 3 years if there are indications of good faith effort happening.
  - Add (3) (II) Provided the county, municipality, or special taxing district submits documentation to demonstrate efforts are being taken to return to the status of good standing.
  - Add (3) (III) If there are multiple years of audits missing, good faith efforts to return to good standing will require completing at least one (1) complete audit or providing documentation of audit services in progress by December 31 after the close of its fiscal year.

The City of Hyattsville therefore respectfully requests the Committee approve the proposed amendments for SB747.

Sincerely,

Robert S. Croslin  
Mayor

cc: Hyattsville City Council  
Tracey Douglas, City Administrator  
Ron Brooks, City Treasurer