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Senate Bill 657 (Substitute S-1 as reported)
Sponsor: Senator Mike Goschka
Committee: Local, Urban and State Affairs

Date Completed: 9-27-05

RATIONALE

Public Act 14 of 2004 repealed the local act that established the three-member Saginaw County board of auditors. Despite the repeal of that local act, the Saginaw County board of auditors has continued to operate under Section 4a of Public Act 275 of 1913, which provides for a county board of auditors to continue operating, even after the local act establishing it has been repealed. Some people believe that Section 4a should be repealed to allow the Saginaw County board of auditors to be dissolved.

CONTENT

The bill would amend Public Act 275 of 1913, which provides for the creation and operation of county boards of auditors, to repeal a section that allows a board of auditors that was operating under a special or local act to continue operating after the special or local act was repealed; and require that the board be abolished.

Under Section 4a of the Act, any board of county auditors operating under a special or local act, upon repeal of the special or local act, must be considered as operating under the provisions of the Act without formal reorganization, and it must function and be governed accordingly.

The bill would repeal Section 4a. Any board of county auditors operating under Section 4a would be abolished and not authorized to continue to operate after the bill's effective date.

MCL 47.4a

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate

Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The Saginaw County board of auditors oversees the county's public works budget and evidently is the only county board of auditors still operating in Michigan. Public Act 14 of 2004 repealed Local Act 540 of 1903, which created the Saginaw County board of auditors. The Saginaw County board of auditors has continued operating, however, under Section 4a of Public Act 275 of 1913. The bill would dissolve the Saginaw County board of auditors by both repealing Section 4a and abolishing the board in statute.

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have no effect on State revenue or expenditures. The bill would have no effect on local government revenue. The bill could alter local government expenditures by an unknown amount, depending on the circumstances. To the extent that a county still has a board of county auditors that comes under the authority of Public Act 275 of 1913, the bill would eliminate that board and thus reduce expenditures in the affected county. For a board of county auditors still operating under a local act, if that act were repealed, then the bill would result in the dissolution of the board, thus reducing local unit expenditures by the amount of funding the board received. For the county, the bill would have no fiscal impact by itself, but could result in a fiscal impact when combined with the future repeal of the local act authorizing a board of county auditors.

This estimate is preliminary and will be revised as new information becomes available.

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.