

February 12, 2014

The Honorable Pete DeGraaf, Chairperson
House General Government Budget Committee
Statehouse, Room 459-W
Topeka, Kansas 66612

Dear Representative DeGraaf:

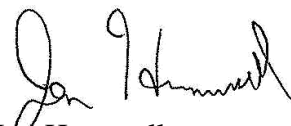
SUBJECT: Fiscal Note for HB 2591 by House Committee on General Government
Budget

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2591 is respectfully submitted to your committee.

HB 2591 would amend current law to require municipal audit reports to be filed with the Secretary of Administration rather than the Director of Accounts and Reports. Municipalities would be required to file circular A-133 audits with the Secretary. On and after January 1, 2015, audits and related documents specified in the bill would be required to be filed electronically with the Secretary. Audits would be due within one year after the end of the audit period unless an extension is granted by the Secretary. If federal law, state law, or a municipal contract provision requires the audit reports to be filed in less than one year, the audits would be filed in accordance with the applicable laws or contract provisions. The bill would not allow municipalities to make final payments for audit services until the audit has been filed with the Secretary. Under the bill, a municipality would not be required to submit any audit reports to any other state agency.

The League of Kansas Municipalities states that enactment of HB 2591 could allow cities to realize savings, as some cities are required to file more than one audit per year with various state agencies. The League does not know how many cities this may affect. The Department of Administration indicates passage of HB 2591 would have no fiscal effect on agency operations. Further, the Department notes there could be some savings to municipalities because municipalities would be required to file electronically, which could reduce the cost of paper and associated mailing costs.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Pam Fink, DofA
Larry Baer, LKM