

## **MODIFY TIMING OF AUDITS FOR RECREATIONAL AUTHORITIES**

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<http://www.house.mi.gov/hfa>

**House Bill 4408 as introduced**  
**Sponsor: Rep. Aaron Miller**  
**Committee: Local Government and Municipal Finance**  
**Complete to 5-15-19**

Analysis available at  
<http://www.legislature.mi.gov>

### **SUMMARY:**

House Bill 4408 would amend the Recreational Authorities Act to modify the requirement for an annual audit depending on whether a recreational authority levies and collects a tax under the act.

The act currently requires the board of a recreational authority to obtain an annual audit of the authority's finances. The bill would instead create two separate auditing requirements, depending on whether or not the authority levies and collects a tax under the act:

- If the authority does levy a tax, it would have to have an annual audit (as the act currently requires).
- If the authority does not levy a tax, it would have to conduct an audit at least biennially (every two years). If, however, any audit disclosed a material deviation from generally accepted accounting practices or from applicable rules and regulations of a state department or agency or disclosed any fiscal irregularity, defalcation, misfeasance, nonfeasance, or malfeasance, the Department of Treasury could require an audit to be conducted in the next year.

MCL 123.1157

### **FISCAL IMPACT:**

House Bill 4408 would reduce audit costs for recreational authorities no longer required to conduct an annual audit of their finances. The cost reduction would be specific to the authority affected by the provisions of the bill and equal to the cost of the audit it no longer had to obtain.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.