

**FISCAL NOTE**  
**HOUSE BILL NO. 1129**  
**LC# 23.0131.01000**  
**01/10/2023**  
**Revised - 01/10/2023**

## 1 - State Fiscal Effect

*Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(230,095)		\$(50,000)
Expenditures			\$230,095	\$(230,095)	\$50,000	\$(50,000)
Appropriations						

## 2 - County, City, School District, and Township Fiscal Effect

*Identify the fiscal effect on the appropriate political subdivision.*

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

## 3 - Bill and Fiscal Impact Summary

*Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill amends 54-10 to exclude firefighters relief associations, rural fire protection districts, and ambulance service districts from being charged a fee for the cost of an audit, review or examination of audit reports, workpapers, or annual reports, or any other services rendered.

## 4 - Fiscal Impact Sections Detail

*Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Currently, the State Auditor's Office's special fund is self-funded and charges local governments for services rendered. Section 1 amends 54-10 to exclude firefighters relief associations, rural fire protection districts, and ambulance service districts from being charged a fee for the cost of an audit, review or examination of audit reports, workpapers, or annual reports, or any other services rendered. This change would result in the loss of \$50,000 per

fiscal year in revenue as the group would not be able to charge for annual report reviews or government reviews. The revenue loss would need to be funded by the general fund as a continuing appropriation.

Section 2 of the bill applies the bill retroactively to December 31, 2017. This would result in a repayment to local governments totaling \$180,095, which would need to be funded by the general fund.

Furthermore, the special fund could not conduct audits of the effected local governments in the bill without funding from the general fund. If an audit was required, the client would need to use a private CPA firm, resulting in a higher audit bill.

## 5 - Revenues Detail

*For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The special fund of the State Auditor's Office would lose \$50,000 annually for services provided to review annual reports or audit reports conducted by private CPA firms. Since the special fund is self-funded, it would require appropriations from the general fund to cover the loss of revenue as the division is still responsible for the oversight of the local governments.

There would also be a one-time repayment of \$180,095 to local governments as the bill applies retroactively to December 31, 2017. This would need to be funded by the general fund as well, as the special fund does not have the reserves to repay the clients.

## 6 - Expenditures Detail

*For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

N/A

## 7 - Appropriations Detail

*For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

The special fund of the State Auditor's Office would lose \$50,000 annually for services provided to review annual reports or audit reports conducted by private CPA firms. Since the special fund is self-funded, it would require appropriations from the general fund to cover the loss of revenue as the division is still responsible for the oversight of the local governments.

There would also be a one-time repayment of \$180,095 to local governments as the bill applies retroactively to December 31, 2017. This would need to be funded by the general fund as well, as the special fund does not have the reserves to repay the clients.

## Contact Information

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