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Senate Bill 1323 (as introduced 5-15-08)
Sponsor: Senator Jud Gilbert, II
Committee: Transportation

Date Completed: 5-20-08

CONTENT

The bill would amend the Michigan Transportation Fund (MTF) law to require the Department of Treasury to develop auditing procedures and reporting requirements to determine whether State transportation funds apportioned to county road commissions and cities and villages were spent in compliance with the law.

Under the law, the balance of the MTF remaining after specified appropriations must be apportioned to the State Trunk Line Fund, county road commissions, and cities and villages. The law requires the Department of Treasury to conduct performance audits and make investigations of the disposition of all State funds received for transportation purposes by cities and villages, county road commissions, county boards of commissioners, or any other county governmental agency acting as the county road authority, to determine compliance with the law.

The bill also would require the Department to develop additional audit procedures and reporting requirements sufficient to determine whether the funds were spent in compliance with the law by July 1, 2008, and to report to the Senate and House Transportation Committees by August 1, 2008, on the additional audit procedures and reporting requirements.

The additional audit procedures for cities and villages would have to include a review of the road fund balance of the city or village. Cities and villages would have to report their road fund balances by fund balance component. The Department would have to assist cities and villages to assure that road fund balances were classified consistently.

MCL 247.622 & 247.663

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the Department of Treasury. The cost of performance audits for the Department varies greatly and the total cost would depend on the number of entities requiring audits, but could be substantial.

Fiscal Analyst: Stephanie Yu

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