

Department of Planning and Budget 2023 Fiscal Impact Statement

1. Bill Number: HB1476

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Marie E. March

3. Committee: Counties, Cities, and Towns

4. Title: Auditor of Public Accounts; civil penalty for local noncompliance.

5. Summary: Provides that localities and localities' constitutional officers shall be subject to monetary penalties for failure to comply with various deadlines for preparing local financial audit reports and submitting such reports to the Auditor of Public Accounts.

6. Budget Amendment Necessary: Indeterminate – See Item 8.

7. Fiscal Impact Estimates: Preliminary. Indeterminate – See Item 8.

8. Fiscal Implications: The Auditor of Public Accounts (APA) indicates approximately 40-50% of localities were late submitting annual financials and/or transmittal data for the Comparative Report to APA for each of the last 5 years. Using these historical locality submission trends, APA estimates their annual billings will double in size. While the exact fiscal impact is unknown as it will be dependent upon the required billing cycle and follow-up process, it is anticipated the APA will need the equivalent of one part-time fiscal administrative position to process the increase in billings.

The amount of collections for late submissions each year is unknown at this time, and it is unknown how much will be deposited to the Literary Fund each year.

The impact to attorneys for the Commonwealth is unknown at this time.

9. Specific Agency or Political Subdivisions Affected: Auditor of Public Accounts;
Commonwealth's Attorneys

10. Technical Amendment Necessary: No.

11. Other Comments: No.

Date: 1/19/2023