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FISCAL IMPACT STATEMENT

LS 6028

BILL NUMBER: HB 1018

NOTE PREPARED: Feb 7, 2006

BILL AMENDED:

SUBJECT: Water Authority Audits.

FIRST AUTHOR: Rep. Robertson

FIRST SPONSOR: Sen. Hershman

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: No Fiscal Impact

Summary of Legislation: This bill requires a nonprofit water utility that is reconstituted as a water authority to have an annual audit by a certified public accounting firm and to keep the audit report on file. The bill also provides that the water authority is not subject to audit or examination by the State Board of Accounts, to the examination guidelines and reporting requirements of the State Board of Accounts, or to certain statutes that apply to political subdivisions.

Effective Date: July 1, 2006.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: This bill clarifies that having certified public accounting firms perform audits for water authorities is an accepted practice. The State Board of Accounts does not audit water authorities. The bill also clarifies that water authorities constituted from nonprofit water utilities are not subject to certain statutes pertaining to public agencies.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Valerie Ruda, 317-232-9867.