

SB 239-FN - AS INTRODUCED

2022 SESSION

22-2852

10/11

SENATE BILL **239-FN**

AN ACT relative to noncompliance with municipal audit requirements.

SPONSORS: Sen. Giuda, Dist 2; Rep. Major, Rock. 14; Rep. Umberger, Carr. 2

COMMITTEE: Election Law and Municipal Affairs

ANALYSIS

This bill requires notification to the department of revenue administration of a completed municipal or county audit and establishes a fine for failure to complete a required audit.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears ~~in brackets and struckthrough.~~
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Two

AN ACT relative to noncompliance with municipal audit requirements.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Department of Revenue Administration; Municipal and property Division; Audits. Amend
2 RSA 21-J:15, II-IV to read as follows:

3 II. ~~Performing~~ **Ensuring the performance of** general municipal and county audits.

4 III. Assisting the commissioner in ~~[his responsibility for]~~ setting municipal tax rates.

5 IV. Establishing a standard technical assistance manual for municipalities **and political**
6 **subdivisions** on finance and budget matters. This manual shall be available for purchase from the
7 division. The manual shall cover statutory requirements, administrative rules adopted by the
8 commissioner, and advice and information for the use of municipalities **and political subdivisions**.
9 The manual shall distinguish between those provisions which municipalities **and political**
10 **subdivisions** must comply with and those elements which are advisory in nature.

11 2 Section; Municipal and Property Division. Amend RSA 21-J by inserting after section 20 the
12 following new section:

13 21-J:20-a Notification Required; Failure to Complete Audit.

14 I. Upon completion of an audit made pursuant to RSA 21-J:19 or RSA 21-J:20, each city,
15 town, school district, village district, county, or precinct shall provide notification to the department
16 of the completed audit and a copy such audit shall be sent to the department. If a required audit is
17 not completed by the due date of such audit, the commissioner may levy a fine of up to \$250 per day
18 for every day of noncompliance, commencing 90 days after the department has provided written
19 notice to the municipality, political subdivision, or county of the intent to levy such fine.

20 II. The municipality, political subdivision, or county may petition the commissioner for
21 waiver of the fine in instances where the failure to complete a statutorily required audit by the due
22 date of such audit was due to reasonable cause. If a waiver is granted, the municipality, political
23 subdivision, or county shall within 90 days of receiving the waiver from the department provide the
24 department an executed contract binding the municipality, political subdivision, or county, to
25 conduct the required audit with an entity licensed and certified to do so, and within a time frame
26 approved by the commissioner. Fines collected by the department pursuant to this section shall be
27 deposited in the general fund.

28 3 Notice by the Department of Revenue Administration. The department of revenue
29 administration shall provide written notice of the provisions of RSA 21-J:20-a as inserted by this act
30 to the governing body of all municipalities, political subdivisions, and counties subject to such

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1 statute within 60 days of the effective date of this section in a manner prescribed by the
2 commissioner of the department of revenue administration.

3 4 Effective Date. This act shall take effect upon its passage.

**SB 239-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to noncompliance with municipal audit requirements.

FISCAL IMPACT: State County Local None

STATE:	Estimated Increase / (Decrease)			
	FY 2022	FY 2023	FY 2024	FY 2025
Appropriation	\$0	\$0	\$0	\$0
Revenue	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase
Expenditures	\$0	\$0	\$0	\$0
Funding Source:	<input checked="" type="checkbox"/> General	<input type="checkbox"/> Education	<input type="checkbox"/> Highway	<input type="checkbox"/> Other

COUNTY:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

LOCAL:

Revenue	\$0	\$0	\$0	\$0
Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

METHODOLOGY:

This bill enacts new RSA 21-J:20-a, which would require each city, town, school district, village district, county, or precinct to provide notification to the Department of Revenue Administration (DRA) upon the completion of an audit made pursuant to RSA 21-J:19 or RSA 21-J:20 and provide a copy of said audit to the DRA. In instances where the required audit is not completed by the due date, the DRA may levy a fine of up to \$250 per day for every day of noncompliance, commencing 90 days after the DRA has provided written notice of the intent to levy such fine.

The Department of Revenue Administration states the fiscal impact is an indeterminable increase in General Fund revenue and county and local expenditures as they are unable to determine the amount of fines that will be assessed. DRA also notes they could absorb any administrative cost from the bill into their budget.

It is assumed the fiscal impact of this bill l would not occur until FY 2023.

AGENCIES CONTACTED:

Department of Revenue Administration