

BILL SUMMARY
2nd Session of the 57th Legislature

Bill No.:	HB 3269
Version:	Introduced
Request Number:	9756
Author:	Rep. Boles
Date:	2/12/2020
Impact:	See Below

Research Analysis

HB 3269, as introduced, raises the municipal revenue amount which triggers a mandatory audit from \$25,000 to \$50,000. A municipality with population less than 2,500 would be subject to biennial, rather than annual, audits. The State Auditor and Inspector would prescribe compliance requirements for those smaller municipalities.

The measure provides for the amount of gasoline taxes due to a municipality, but required to be withheld if a municipality does not file a copy of its audit or report within the time allowed, to instead go to a Special Investigative Unit Auditing Revolving Fund.

Finally, the measure repeals Title 11, Section 17-108, which exempts trusts from some auditing requirements.

Prepared By: Sean Webster

Fiscal Analysis

Sections 1 and 4 of HB 3269 modifies certain audit requirements for municipalities. Officials from the Office of the State Auditor and Inspector anticipate no direct fiscal impact on their agency as a result of Sections 1 and 4 of the measure.

Section 2 of HB 3269 redirects certain forfeited gasoline tax apportionments. Under current law, gasoline tax apportionments to municipalities are withheld and eventually forfeited in the municipality remains out of compliance with certain statutory audit requirements. Under current law such forfeited apportionments are redirected to county highway funds. HB 3269 would redirect such forfeitures to the Special Investigative Unit Auditing Revolving Fund.

According to the Oklahoma Tax Commission, (OTC), over the last 5 years such gasoline tax apportionment forfeitures by municipalities occurred in the following amounts:

Forfeitures		
Year		Amount
2015	\$	44,264
2016	\$	53,537
2017	\$	47,542
2018	\$	25,204
2019	\$	38,009
5-year Avg.	\$	41,711

Section 3 of HB 3269 creates the Special Investigative Unit Auditing Revolving Fund and vests expenditure authority for the Fund with the State Auditor and Inspector. The Fund is designed to receive funds remitted pursuant to Section 2 of this measure, \$41,711 per year on average.

Prepared By: John McPhetridge

Other Considerations

None.

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