

HB 826 -- POLITICAL SUBDIVISION FINANCIAL STATEMENTS

SPONSOR: Baker

This bill changes the laws regarding the consequences of a political subdivision for failure to file an annual financial statement with the State Auditor as required.

If the failure to submit the annual financial statement was a result of fraud or other illegal conduct by any employee, the failure shall not result in a fine.

Any political subdivision that has gross revenues of less than \$5000 or fails to collect or levy sales or use taxes shall not be subject to the fine.

In addition, the Director of the Department of Revenue shall have the authority to make a one-time downward adjustment to any fine he or she deems uncollectable.

If, after August 28, 2021 and before January 31, 2022, a political subdivision fails to file an annual statement, or if a political subdivision files an annual statement in that time period but fails to file any statement thereafter, the Director of the Department of Revenue must notify the Attorney General, and the Attorney General will initiate the process to dissolve the political subdivision.

In addition, the residents of a political subdivision may apprise the Attorney General of the failure to file and the Attorney General, after investigation and confirmation, will initiate the process to dissolve the political subdivision as specified in the bill.

The process for dissolving a political subdivision that is not in compliance with the annual financial statement requirement is specified in the bill, as is the available court orders.

This bill is similar to HB 1854 (2020).