

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
115TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 293, L.D. 414, Bill, "An Act to Require State Audit and Review of Quasi-municipal Corporations Granted by State Charter"

Amend the bill by striking everything after the enacting clause and before the statement of fact and inserting in its place the following:

Sec. 1. 5 MRSA §243, sub-§3-B is enacted to read:

3-B. Audit and review of quasi-municipal corporations. To establish procedures for and perform annual audits and reviews of all accounts and other financial records of quasi-municipal corporations established under state charter, as defined in Title 30-A, section 2351, that have an annual budget of more than \$25,000 and are not subject to audit and review by another state or federal agency including the Public Utilities Commission. Audits under this subsection must be performed by a licensed public accountant and sent to the State Auditor. The expense of these audits and reviews must be paid completely by the quasi-municipal corporations. Quasi-municipal corporations that have annual budgets of less than \$25,000 are exempt from this subsection;

Sec. 2. 30-A MRSA §2358 is enacted to read:

§2358. Required state audit and review

To establish accountability and protect consumers, quasi-municipal corporations established under state charter that have an annual budget of more than \$25,000 and are not subject to audit and review by another state or federal agency, including

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2 the Public Utilities Commission, are required to submit to and
3 cooperate with an annual state audit and review as provided in
4 Title 5, section 243, subsection 3-B.

5 1. State Auditor; costs. Upon written petition by 25
6 ratepayers or members of a quasi-municipal corporation, the State
7 Auditor must review and, based upon the review findings, may
8 audit the financial statements of a quasi-municipal corporation.
9 All costs associated with the audit and review must be paid by
10 the quasi-municipal corporation.

11 2. Requirements. The quasi-municipal corporation shall
12 provide whatever documentation or information the State Auditor
13 requires.

14 3. Findings. The findings of the State Auditor are public
15 documents. Copies of the findings must be sent to the municipal
16 officers in the municipalities where the quasi-municipal
17 corporation provides services and to any appropriate state agency
18 that has jurisdiction over the subject matter of the
19 corporation's area of operation, including but not limited to the
20 Public Utilities Commission and the Department of Transportation.

21 4. Forms. The State Auditor shall develop a form that
22 shows a breakdown of all expenses and revenues of the
23 quasi-municipal corporation. The form must be developed so that
24 the average citizen can understand the information requested on
25 the form. The form must accompany all certified audits and be
26 filed with the appropriate agency.

32 FISCAL NOTE

33 This bill requires the State Auditor to review and conduct
34 audits of quasi-municipal corporations if petitioned to do so,
35 with all costs to be paid by the quasi-municipal corporations.
36 An allocation of dedicated revenue and authorization for
37 additional auditor positions to the Department of Audit will be
38 necessary based upon the number of these corporations that will
39 be audited. The number of reviews and audits to be performed are
40 not known at this time.

41 The Department of Audit will absorb the costs associated
42 with developing a form showing the expenses and revenues of
43 quasi-municipal corporations.'

44 STATEMENT OF FACT

45 This amendment exempts quasi-municipal corporations that are
46 subject to audit by other state or federal agencies from an
47 additional audit. It also exempts quasi-municipal corporations

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with annual budgets of less than \$25,000. Further, it requires that:

1. The audits be completed by licensed public accountants;
2. Upon written petition by 25 consumers or members of a quasi-municipal corporation, the State Auditor complete a review of the quasi-municipal's financial records; and
3. The State Auditor develop forms that must be submitted with the certified audit by the quasi-municipal corporation.

The amendment also adds a fiscal note.

Reported by the Minority of the Committee on State and Local Government
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House

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