

The Senate Government Oversight Committee offered the following substitute to HB 831:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 2 of Chapter 6 of Title 50 of the Official Code of Georgia Annotated,  
2 relating to the state auditor, so as to define a term; to provide that each local government  
3 shall enter into a contract with an independent auditor not later than 180 days following the  
4 end of the fiscal year or after such other date an audit is required by law to perform any  
5 required audit; to provide for an extension; to provide that in the event of failure of a local  
6 government to so contract, the state auditor shall contract with an independent accountant to  
7 perform such audit; to provide that an amount equal to 50 percent of the audit shall be  
8 withheld from funds due to be disbursed to such local government; to repeal conflicting laws;  
9 and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

11 Article 2 of Chapter 6 of Title 50 of the Official Code of Georgia Annotated, relating to the  
12 state auditor, is amended by adding a new Code section to read as follows:

13 "50-6-33.

14 (a) As used in this Code section, the term 'local government' means any political  
15 subdivision or local governing authority of this state.

16 (b) Each local government shall enter into a contract with an independent auditor not later  
17 than 180 days following the end of the fiscal year or after such other date an audit is  
18 required by law to perform any required audit. A local government may request from the  
19 state auditor an extension if delay is caused by extenuating circumstances beyond its  
20 control. The state auditor may, in his or her discretion, grant an extension not to exceed  
21 60 days.

22 (c) If a local government fails to enter into a contract with an independent auditor as  
23 required by subsection (b) of this Code section, then the state auditor shall enter into a  
24 contract with an independent auditor to perform the required audit. After such contract  
25

26 becomes final, the local government shall be liable for the full cost of such audit as  
27 provided in subsection (d) of this Code section.

28 (d)(1) If the state auditor contracts with an independent auditor as provided in subsection  
29 (c) of this Code section, the state auditor shall notify the local government, the  
30 Department of Revenue, and the Department of Community Affairs by certified mail,  
31 return receipt requested, and shall provide the cost of such audit. The Department of  
32 Revenue shall withhold from disbursement to such noncomplying local government an  
33 amount equal to 150 percent of the cost of the audit. Such amount shall be withheld from  
34 all funds, including, without limitation, sales tax receipts, not to include funds from any  
35 special purpose local option sales tax or sales tax for educational purposes, due to the  
36 local government.

37 (2) If the Department of Revenue is not in possession of sufficient funds due to the local  
38 government to cover the amount specified in paragraph (1) of this subsection, the  
39 department shall notify the Department of Community Affairs of the deficiency, and that  
40 department shall withhold the remainder from any funds in its possession due to be  
41 disbursed to the local government.

42 (3) From funds withheld as provided in paragraphs (1) and (2) of this subsection, the  
43 Department of Revenue and the Department of Community Affairs shall transmit to the  
44 state auditor an amount equal to the cost of performing the audit. Such departments shall  
45 transfer to the general fund of the state treasury an amount equal to 50 percent of the cost  
46 of the audit as a penalty.

47 (e) Willful obstruction by any person of the performance of an audit by an independent  
48 auditor selected by the state auditor as provided in subsection (b) of this Code section may  
49 be prosecuted as a misdemeanor."

50

## SECTION 2.

51 All laws and parts of laws in conflict with this Act are repealed.