

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4408**

A bill to amend 2000 PA 321, entitled
"Recreational authorities act,"
by amending section 27 (MCL 123.1157).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 27. (1) A board shall obtain an ~~annual~~ audit of the
2 authority **as required in this section**, and report on the audit and
3 auditing procedures, in the manner provided by sections 6 to 13 of
4 the uniform budgeting and accounting act, 1968 PA 2, MCL 141.426 to
5 141.433. The audit ~~shall~~**must** also be in accordance with generally
6 accepted government auditing standards as promulgated by the United
7 States ~~general accounting office~~ **Government Accountability Office**
8 and ~~shall~~**must** satisfy federal regulations relating to federal
9 grant compliance audit requirements.



1 (2) If an authority levies and collects a tax, or if an
2 authority does not levy or collect a tax and has \$100,000.00 or
3 more in yearly expenditures, the board shall obtain an annual audit
4 of the authority.

5 (3) If an authority does not levy or collect a tax and has
6 less than \$100,000.00 in yearly expenditures, the board shall
7 obtain an audit of its financial records, accounts, and procedures
8 not less frequently than biennially. However, if any audit under
9 this subsection discloses a material deviation from generally
10 accepted accounting practices or from applicable rules and
11 regulations of a state department or agency or discloses any fiscal
12 irregularity, defalcation, misfeasance, nonfeasance, or
13 malfeasance, the department of treasury may require an audit to be
14 conducted in the next year.

15 (4) ~~(2)~~—An authority shall prepare budgets and appropriations
16 acts in the manner provided by sections 14 to 19 of the uniform
17 budgeting and accounting act, 1968 PA 2, MCL 141.434 to 141.439.

18 (5) ~~(3)~~—The state treasurer, the attorney general, a
19 prosecuting attorney, bank, certified public accountant, certified
20 public accounting firm, or other person ~~shall have~~**has** the same
21 powers, duties, and immunities with respect to the authority as
22 provided for local units in sections 6 to 20 of the uniform
23 budgeting and accounting act, 1968 PA 2, MCL 141.426 to 141.440.

24 (6) ~~(4)~~—If an authority ends a fiscal year in a deficit
25 condition, the authority shall file a financial plan to correct the
26 deficit condition in the same manner as provided in section 21(2)
27 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140,
28 MCL 141.921.

29 (7) ~~(5)~~—The board may authorize funds of the authority to be



- 1 invested or deposited in any investment or depository authorized
- 2 under section 1 of 1943 PA 20, MCL 129.91.

