



**House  
Legislative  
Analysis  
Section**

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**STATUTORY REFERENCES TO  
AUDITOR GENERAL**

**House Bills 5664, 5719, and 5720 as  
introduced  
House Bill 5721 (Substitute H-1)  
Sponsor: Rep. Wayne Kuipers**

**House Bills 5713 and 5714 as introduced  
Sponsor: Rep. Larry Julian**

**House Bills 5715 and 5716 as introduced  
Sponsor: Rep. Gilda Z. Jacobs**

**House Bills 5717 and 5718 as introduced  
Sponsor: Rep. Alexander C. Lipsey**

**Committee: House Oversight and  
Operations**

**Senate Bills 887, 889, 892, 896-900, and  
902-907 as passed by the Senate  
Senate Bill 901 (Substitute H-1)  
Sponsor: Sen. Thaddeus McCotter**

**House Committee: House Oversight and  
Operations  
Senate Committee: Government  
Operations**

**First Analysis (2-28-02)**

**House Bills 5664, 5713-5721  
Senate Bills 887, 889, 892 and 896-907 (2-28-02)**

***THE APPARENT PROBLEM:***

As part of the rewriting of the state constitution in 1963, the office of auditor general was converted from an elected position to a position appointed by the legislature. The 1963 constitution requires the auditor general to conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state, and to conduct performance post audits of those entities. It also authorizes the auditor general to make investigations pertinent to the conduct of audits, and requires the auditor general to report annually (and at other times as considered necessary) to the legislature and the governor. The constitution says that the auditor general “shall be assigned no other duties

than those specified” in the constitution (Article 4, Section 53).

Accordingly, the Executive Organization Act of 1965 transferred all of the auditor general’s powers (except those granted under the constitution) to the Department of Treasury. However, many statutes that refer to the auditor general were never amended to reflect these changes.

***THE CONTENT OF THE BILLS:***

The bills would amend several acts to delete references to certain duties of the auditor general.

House Bill 5664 would amend Public Act 2 of 1921 (MCL 17.1), which created the state administrative board, to delete the auditor general from the list of officials constituting the membership of the board.

House Bill 5713 would amend the Drain Code (MCL 280.271 and 280.323) to change references to the auditor general so that the act would refer instead to the state treasurer. Changes would be made in provisions concerning delinquent taxes assessed by a county drain commissioner, and concerning assessments on state land under the Drain Code.

House Bill 5714 would amend Public Act 294 of 1915 (MCL 285.122 and 285.128), which created the agricultural fair commission, to delete references to the auditor general in a provision concerning the posting of bond to the state by commission members, and in a provision referring to the expenditure of state funds by warrant. The provisions would refer instead to the state treasurer.

House Bill 5715 would amend the act entitled "Of certain state officers" (MCL 124.29 and 14.32) to delete references to the auditor general in provisions that allow elected state officials to request the attorney general to defend against lawsuits, and to request opinions of the attorney general.

House Bill 5716 would amend Public Act 230 of 1941 (MCL 322.1 et al.) to change references to the auditor general to refer instead to the state treasurer. The act allows for the sale or lease of property by the state.

House Bill 5717 would amend Public Act 197 of 1883 (MCL 322.460), which provides for the disposition of property granted to the state for railroad purposes, to delete references to the auditor general and instead specify that the state treasurer would perform functions related to assessment of taxes under the act.

House Bill 5718 would amend the Natural Resources and Environmental Protection Act (MCL 324.33934 et al.) to amend provisions concerning delinquent taxes and land leases, fur dealers' licenses, fisheries maintenance, and municipal forests. The bill would delete references to the auditor general and insert references to the state treasurer and the Department of Treasury.

House Bill 5719 would amend Public Act 16 of the 1<sup>st</sup> Extra Session of 1942 (MCL 388.803), which concerns the receipt of federal grants for educational

purposes, to replace references to the auditor general with references to the state treasurer.

House Bill 5720 would amend Public Act 116 of 1893 (MCL 393.60 et al.), which provides for the management of the school for the deaf. The bill would replace references to the auditor general with references to the state treasurer in provisions concerning an inventory of property, expenditures by the board of trustees, payment of expenses to board members, and the provision of financial assistance to persons unable to afford to attend the school.

House Bill 5721 would repeal two sections of Public Act 123 of 1893 (MCL 393.109 and 393.110), which provides for management of the school for the blind. The sections to be repealed deal with the payment by the state for transportation, clothing, and other expenses for needy students (and they contain references to the auditor general's authority to draw warrants to make payments with state funds).

Senate Bill 887 would amend Public Act 329 of 1937 (MCL 419.103), which provides for compensation to injured peace officers, to delete a reference to the auditor general in a provision concerning the signing of state warrants. The bill would also delete a reference to the *attorney general* signing and approving warrants. Under the bill, the provisions would refer to the state treasurer.

Senate Bill 889 would amend Public Act 89 of 1933 (MCL 451.313) to replace a reference to the auditor general with a reference to the state treasurer. The act concerns protective committees (related to issuing securities), and the bill would amend a provision concerning the costs of investigations, audits and appraisals.

Senate Bill 892 would amend the Insurance Code (MCL 500.204 and 500.208) to replace a reference to the auditor general with a reference to the state treasurer in a provision concerning the approval of sureties. In addition, the bill would replace a reference to the auditor general with a reference to the Department of Management and Budget in a provision concerning the costs of office space for the Office of Financial and Insurance Services.

Senate Bill 896 would amend Public Act 181 of 1881 (MCL 21.201, which has to do with computing interest on educational funds of the state, to change references to the auditor general to refer instead to the state treasurer.

Senate Bill 897 would amend the veterans' trust fund act (MCL 35.607 and 35.608) to delete references to the auditor general in provisions concerning the distribution of funds to counties, and concerning audits of the trust fund board, county veterans committees, and county treasurers.

Senate Bill 898 would amend the state board of equalization act (MCL 209.3 and 209.4) to delete references to the auditor general in provisions dealing with the filing of records with the state.

Senate Bill 899 would amend Public Act 99 of 1917 (MCL 249.1) to delete a reference to the auditor general in a provision dealing with the expenditure of federal grant funds for highway purposes.

Senate Bill 900 would repeal Public Act 358 of 1921 (MCL 286.131 to 286.135), which deals with state reimbursement to counties for a portion of the costs of destroying grasshoppers and similar pests (The act contains several references to the auditor general's authority to pay claims.)

Senate Bill 901 would amend Public Act 140 of 1863 (MCL 322.178 and 322.180) to delete references to the auditor's general's duties with regard to paying the proceeds from the sale of certain state lands for the benefit of Michigan State University.

Senate Bill 902 would amend Public Act 139 of 1909 (MCL 331.105) to delete references to the auditor general in provisions concerning state payments to county sanatoriums.

Senate Bill 903 would amend Public Act 269 of 1909 (MCL 390.120), concerning Michigan State University, to delete a reference to the auditor general in a provision concerning the university's financial records.

Senate Bill 904 would amend Public Act 96 of 1931 (MCL 249.33) to replace a reference to the auditor general with a reference to the state treasurer in a provision concerning the payment of funds for building forest roads.

Senate Bill 905 would amend Public Act 143 of 1859 (MCL 21.211), concerning interest on the proceeds from the sale of university lands, to refer to the state treasurer instead of to the auditor general.

Senate Bill 906 would amend Public Act 232 of 1901 (MCL 390.224), concerning an appropriation to Michigan State University, to refer to the state treasurer instead of to the auditor general. The bill

would also repeal a section of the act (MCL 390.225) that deals with the expenditure of surplus funds under the act.

Senate Bill 907 would amend Public Act 177 of 1925 (MCL 332.159 and 332.164) to delete references to the auditor general in provisions concerning state payments to county sanatoriums for the treatment of tuberculosis.

### ***BACKGROUND INFORMATION:***

Related legislation. The bills are part of a larger package of legislation, which also includes House Bills 5611-5615, 5661-5663, 5665-5673, 5707-5712, 5722, 5742, and 5720-5755, and Senate Bills 884-886, 888, 890, 891, 893-895, and 908-918. (Reportedly, others are yet to be introduced.)

Duties and operations of the Office of the Auditor General. The Office of the Auditor General's web site ([www.state.mi.us/audgen](http://www.state.mi.us/audgen)) provides information about the office's constitutional and statutory responsibilities, including financial audits, single audits, performance audits, and combined performance and financial audits. The site also contains the text of audit reports completed by the office.

### ***FISCAL IMPLICATIONS:***

According to the Senate Fiscal Agency, none of the Senate bills would have any fiscal impact on the state or local units of government. (2-11-02)

### ***ARGUMENTS:***

#### ***For:***

The bills would simply "clean up" many statutory references that have been obsolete since the office of auditor general became an appointed position with the adoption of the 1963 state constitution. The functions referred to in many of the listed statutes have long since been transferred to the treasury department, or have been abolished. With many citizens now using electronic search engines and Internet access to obtain information about state government, these outdated references simply serve to confuse people, and they should be removed from the compiled laws.

#### ***Response:***

Many of the acts being amended date from the 1800s. Perhaps the legislature should take this opportunity to examine these acts to see if they need to be retained

in statute. Additionally, reportedly some of the bills in this package are in need of technical amendments.

***POSITIONS:***

The Office of the Auditor General supports the bills.  
(2-12-02)

House Bills 5664, 5713-5721  
Senate Bills 887, 889, 892 and 896-907 (2-28-02)

Analyst: D. Martens

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.