

Introduced by

Senators O'Connell, Erbele

Representatives D. Anderson, Brandenburg, Hunskor

1 A BILL for an Act to amend and reenact subsection 3 of section 54-10-14 of the North Dakota  
2 Century Code, relating to annual reports of certain political subdivisions in lieu of biennial  
3 audits.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Subsection 3 of section 54-10-14 of the North Dakota Century  
6 Code is amended and reenacted as follows:

7 3. In lieu of conducting an audit every two years, the state auditor may require annual  
8 reports from school districts with less than one hundred enrolled students; cities with  
9 less than five hundred population; and other political subdivisions subject to this  
10 section, or otherwise provided by law, with less than ~~two~~three hundred thousand  
11 dollars of annual receipts, excluding any federal funds passed through the political  
12 subdivision to another entity. If any federal agency performs or requires an audit of a  
13 political subdivision that receives federal funds to pass through to another entity, the  
14 political subdivision shall provide a copy to the state auditor upon request by the state  
15 auditor. The reports must contain the financial information required by the state  
16 auditor. The state auditor also may make any additional examination or audit  
17 determined necessary in addition to the annual report. When a report is not filed, the  
18 state auditor may charge the political subdivision an amount equal to the fair value of  
19 the additional examination or audit and any other services rendered. The state auditor  
20 may charge a political subdivision a fee not to exceed eighty dollars an hour for the  
21 costs of reviewing the annual report.