

CHAPTER 102

GOVERNMENT - LOCAL

HOUSE BILL 98-1020

BY REPRESENTATIVES Taylor, Clarke, and Leyba;
also SENATORS Reeves, Bishop, and Linkhart.

AN ACT

CONCERNING THE MODIFICATION OF REQUIREMENTS FOR THE EXEMPTION OF CERTAIN LOCAL GOVERNMENTS FROM AUDITS.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 29-1-604, Colorado Revised Statutes, is amended to read:

29-1-604. Exemptions. (1) Any local government where neither revenues nor expenditures exceed ~~fifty thousand~~ ONE HUNDRED THOUSAND dollars in any fiscal year COMMENCING ON OR AFTER JANUARY 1, 1998, may, with the approval of the state auditor, be exempt from the provisions of section 29-1-603.

(2) Any local government where revenues or expenditures for any fiscal year COMMENCING ON OR AFTER JANUARY 1, 1998, are at least ~~fifty thousand~~ ONE HUNDRED THOUSAND dollars but not more than ~~one hundred twenty-five thousand~~ THREE HUNDRED THOUSAND dollars may, with the approval of the state auditor, be exempt from the provisions of section 29-1-603. ~~for any two consecutive fiscal years; shall not be exempt for the third consecutive fiscal year, and may thereafter again be exempt for any two consecutive fiscal years in the same manner.~~

(3) The governing body of any local government wishing to claim exemption from the audit requirements pursuant to subsection (1) or (2) of this section shall file an application for exemption from audit. ANY APPLICATION FILED PURSUANT TO SUBSECTION (1) OF THIS SECTION shall be prepared by a person skilled in GOVERNMENTAL accounting. ANY APPLICATION FILED PURSUANT TO SUBSECTION (2) OF THIS SECTION SHALL BE PREPARED BY AN INDEPENDENT ACCOUNTANT WITH KNOWLEDGE OF GOVERNMENTAL ACCOUNTING. ANY APPLICATION FILED PURSUANT TO THIS SUBSECTION (3) SHALL BE COMPLETED in accordance with regulations issued by the state auditor and shall be personally reviewed, approved, and signed by a

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

majority of the members of the governing body. The application is to be filed with the state auditor within three months after the close of the local government's fiscal year. No exemption shall be granted prior to the close of said fiscal year. Failure to file such application shall cause the local government to lose its exemption from the provisions of section 29-1-603 for that fiscal year and the ensuing fiscal year.

SECTION 2. Effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: April 17, 1998