

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0097.01 Nicole Myers x4326

SENATE BILL 15-024

SENATE SPONSORSHIP

Sonnenberg and Jahn, Guzman

HOUSE SPONSORSHIP

Ryden, Nordberg, Primavera

Senate Committees

Local Government

House Committees

A BILL FOR AN ACT

101 CONCERNING UPDATES TO THE LOCAL GOVERNMENT AUDIT LAW TO
102 MAINTAIN CONSISTENCY WITH AUDIT STANDARDS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Legislative Audit Committee. The governing body of each local government in the state is required to have an annual audit of its financial statements. Currently, a local government with fiscal year revenues or expenditures of \$500,000 or less may apply to the state auditor for an exemption from the audit requirement. To provide consistency with federal requirements, for fiscal years commencing on or after January 1,

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

2015, the bill increases the threshold for an exemption from the audit requirement to \$750,000 or less in annual local government revenues or expenditures.

In addition, the bill updates terminology to be consistent with auditing standards.

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

2 **SECTION 1.** In Colorado Revised Statutes, 29-1-604, **amend** (2)
3 as follows:

4 **29-1-604. Exemptions.** (2) (a) Any local government where
5 revenues or expenditures for any fiscal year commencing on or after
6 January 1, 2004, BUT PRIOR TO JANUARY 1, 2015, are at least one hundred
7 thousand dollars but not more than five hundred thousand dollars may,
8 with the approval of the state auditor, be exempt from the provisions of
9 section 29-1-603.

10 (b) ANY LOCAL GOVERNMENT WHERE REVENUES OR
11 EXPENDITURES FOR ANY FISCAL YEAR COMMENCING ON OR AFTER
12 JANUARY 1, 2015, ARE AT LEAST ONE HUNDRED THOUSAND DOLLARS BUT
13 NOT MORE THAN SEVEN HUNDRED FIFTY THOUSAND DOLLARS MAY, WITH
14 THE APPROVAL OF THE STATE AUDITOR, BE EXEMPT FROM THE PROVISIONS
15 OF SECTION 29-1-603.

16 **SECTION 2.** In Colorado Revised Statutes, 29-1-605, **amend** (1)
17 (b) as follows:

18 **29-1-605. Contents of report.** (1) All reports on audits of local
19 governments shall contain at least the following:

20 (b) The ~~unqualified~~ UNMODIFIED opinion of the auditor with
21 respect to the financial statements of the local government or, if an
22 ~~unqualified~~ UNMODIFIED opinion cannot be expressed, a ~~qualified~~
23 MODIFIED opinion or disclaimer of opinion containing an explanation of

1 the reasons therefor;

2 **SECTION 3. Act subject to petition - effective date.** This act
3 takes effect at 12:01 a.m. on the day following the expiration of the
4 ninety-day period after final adjournment of the general assembly (August
5 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a
6 referendum petition is filed pursuant to section 1 (3) of article V of the
7 state constitution against this act or an item, section, or part of this act
8 within such period, then the act, item, section, or part will not take effect
9 unless approved by the people at the general election to be held in
10 November 2016 and, in such case, will take effect on the date of the
11 official declaration of the vote thereon by the governor.