



Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
CONDITIONAL FISCAL IMPACT**

Drafting Number: LLS 11-0144
Prime Sponsor(s): Rep. Kerr J.
 Sen. Carroll

Date: January 25, 2011
Bill Status: House Transportation
Fiscal Analyst: Kurtis Morrison (303-866-3140)

TITLE: CONCERNING AUTHORIZATION FOR THE STATE AUDITOR TO CONDUCT A PERFORMANCE AUDIT OF A PUBLIC HIGHWAY AUTHORITY.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue General Fund	See State Revenue and Expenditures.	
State Expenditures General Fund	See State Revenue and Expenditures.	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2011-2012: None.		
Local Government Impact: Conditional increase in costs.		

Summary of Legislation

House Bill 11-1118, a Legislative Audit Committee bill, authorizes the State Auditor to conduct a performance audit, at the direction of the Legislative Audit Committee, of any public highway authority (PHA) in the state. Currently, there are three PHAs established that would be subject to the bill's requirements: E-470 Public Highway Authority; Northwest Parkway Public Highway Authority; and Jefferson Parkway Public Highway Authority.

State Revenue and Expenditures

The bill will increase both state revenue and expenditures by a like amount, if the Legislative Audit Committee directs the State Auditor to conduct an audit of a PHA. Under state law, the State Auditor is reimbursed by audited entities for staff time and expenses associated with performing an audit. State Auditor expenditures are approximately \$150,000 to \$250,000 for each performance audit. Reimbursement revenue from audited entities is credited to the General Fund. No separate appropriation clause is required as costs may be absorbed within the State Auditor's annual General Fund appropriation for contracted audits.

Local Government Impact

The bill has a conditional impact on PHAs for which an audit has been directed by the Legislative Audit Committee. Performance audit reimbursements are negotiated with the State Auditor and are no more than average rates provided for similar services by certified public accounting firms within Colorado. As such, the fiscal impact to PHAs is conditional, subject to whether the Legislative Audit Committee directs the performance of an audit.

Departments Contacted

State Auditor