

## Session 118 - (2009-2010)

### H 4856 General Bill, By Edge and Harrison

#### *Similar (H 4875)*

#### **Summary:** Municipal Finance Oversight Act

A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 9 TO CHAPTER 21, TITLE 5 SO AS TO ENACT THE "MUNICIPAL FINANCE OVERSIGHT ACT OF 2010" TO CREATE THE MUNICIPAL FINANCE OVERSIGHT COMMISSION; PROVIDE FOR ITS COMPOSITION, POWERS, DUTIES, AND RESPONSIBILITIES; REQUIRE MUNICIPALITIES TO SUBMIT ANNUAL FINANCIAL REPORTS AND ANNUAL AUDITS, PROVIDE FOR THE FORMULATION AND IMPLEMENTATION OF A PLAN BY THE COMMISSION TO ENSURE THAT A MUNICIPALITY DOES NOT PRACTICE ACTIONS OF FISCAL MISMANAGEMENT OR MATTERS WHICH COULD LEAD TO IMPENDING FISCAL INSTABILITY, PROVIDE FOR THE FORFEITURE OF OFFICE OR EMPLOYMENT OF AN OFFICIAL OR EMPLOYEE OF A MUNICIPALITY WHO PERSISTS IN FAILING OR REFUSING TO COMPLY WITH THE PROVISIONS OF ARTICLE 9, CHAPTER 21, TITLE 5, PROVIDE FOR ORIENTATION PROGRAMS, APPROVED BY THE COMMISSION, WHICH MUNICIPAL OFFICIALS ARE REQUIRED TO COMPLETE; TO AMEND SECTION 5-7-200, RELATING TO GROUNDS FOR FORFEITURE OF OFFICE OF A MAYOR OR COUNCIL MEMBER, SO AS TO INCLUDE THE VIOLATION OF THE PROVISIONS OF CHAPTERS 1 TO 21, TITLE 5 WITHIN THE REASONS FOR FORFEITURE; TO AMEND SECTION 5-7-240, RELATING TO THE REQUIREMENT FOR A MUNICIPAL COUNCIL TO PROVIDE AN ANNUAL INDEPENDENT AUDIT OF FINANCIAL STATEMENTS, RECORDS, AND TRANSACTIONS, SO AS TO PROVIDE WHEN THE AUDIT MUST BE PERFORMED, PROVIDE THAT CERTAIN AUDITING STANDARDS MUST BE USED, REQUIRE AN AUDIT BE DONE BY AN INDEPENDENT ACCOUNTANT RATHER THAN BY A CERTIFIED PUBLIC ACCOUNTANT, REQUIRE THE PRODUCTION OF BOOKS AND RECORDS REQUESTED BY THE AUDITOR, AND PROVIDE PENALTIES FOR VIOLATIONS; AND TO AMEND SECTION 5-21-50, RELATING TO THE REQUIREMENT OF MUNICIPALITIES WITH A POPULATION OVER TWO HUNDRED TO PUBLISH FINANCIAL STATEMENTS, SO AS TO REQUIRE ALL MUNICIPALITIES TO PREPARE A QUARTERLY STATEMENT OF FINANCES TO INCLUDE A CASH BALANCE REPORT AND A STATEMENT OF ACCOUNTS WITH COMPARISONS OF ACTUAL TO BUDGETED REVENUES AND EXPENDITURES, AND PROVIDE THAT THE STATEMENT MUST BE PROVIDED TO THE MUNICIPAL COUNCIL AND, UPON REQUEST, TO MEMBERS OF THE PUBLIC OR INTERESTED ORGANIZATION.

**04/15/10 House Introduced and read first time HJ-29**

**04/15/10 House Referred to Committee on Ways and Means HJ-30**