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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/24/07  
 LAST UPDATED 1/31/07      HB 194/a HHGAC

SPONSOR Moore

SHORT TITLE Municipality Deposits of Public Money      SB \_\_\_\_\_

ANALYST Propst

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of HHGAC Amendment

The amendment to the original bill retains the five working day requirement for deposits, except in cases where inclement weather or natural disaster conditions exist. In cases where inclement weather or natural disaster conditions exist, a municipality would have up to 10 days to make the deposit.

#### Synopsis of Original Bill

The bill increases the time within which certain municipalities may deposit receipt of public money. Municipalities or villages not having suitable banking facilities within their boundaries in which to deposit collected receipts of public money currently must deposit those funds within a period not to exceed five working days. The bill extends the period to 10 days from the date of receipt if inclement weather or natural disaster conditions exist. Otherwise the period remains the same, five working days.

**SIGNIFICANT ISSUES**

Remote municipalities and villages without suitable banking facilities generally do not gather large deposits during a five day work week. The extended time to make small deposits, in cases of inclement weather or natural disaster, would reduce the expense of time and money currently expended to make deposits within the current five day work week.

**OTHER SUBSTANTIVE ISSUES**

In its analysis on the original bill, DFA noted that, when a municipality or village does collect a large public deposit, which is to be defined by rule, it should be made in a timely manner not to exceed five working days.

Additionally, accessibility to electronic communications technology exists in most remote municipalities and villages. If accessibility exists, public entities should make every effort to use this form of communication to make timely deposits with a financial institution within its boundaries that have the technology to accept electronic deposits. In this case the five day work week should also apply.

Finally, a municipality or village should obtain safekeeping furniture, fixtures and equipment to secure the cash if given the additional time to make deposits.

The sponsor proposed an amendment to the original bill retaining the five working day requirement for deposits, except in cases where inclement weather or natural disaster conditions exist. In cases where inclement weather or natural disaster conditions exist, a municipality would have up to 10 days to make the deposit.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

There would be no exception for inclement weather or natural disasters to the current five day rule for deposits would remain in effect.

WEP/mt:nt