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## Local Government Committee

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### SB 5106

**Brief Description:** Concerning the operation of county budgets.

**Sponsors:** Senator Delvin.

<p style="text-align: center;"><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Authorizes the county legislative authority, during any period of time that appropriation accounts remain open after the end of the fiscal year, to make transfers, revisions, supplemental appropriations, and emergency appropriations.</li></ul>
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**Hearing Date:** 3/26/13

**Staff:** Michaela Murdock (786-7289).

**Background:**

Statue provides for counties to adopt annual budgets; however, counties may choose by ordinance or resolution to adopt biennial budgets, using the same procedure and steps as those for adopting an annual budget.

Each year, the county auditor or chief financial officer (auditor) must prepare the county budget for the ensuing fiscal year. The budget must show both the expenditure program and the sources of revenue by which it will be financed. The budget is then submitted by the auditor to the board of county commissioners or county legislative authority (board), budget hearings are conducted, and upon conclusion of budget hearings, the board must fix and determine each item of the budget and adopt by resolution a final budget.

Estimates of county expenditures that are finally fixed and adopted in detail by the board constitute the "appropriations" for the county for the ensuing fiscal year. County officials may only make expenditures or incur liabilities up to the amounts of the detailed appropriation items or classes. Expenditures, liabilities, or warrants that are made or incurred in excess of the

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detailed budget appropriations are not a liability of the county, and the official making or incurring such expenditures will be liable personally and upon his or her official bond.

After the budget has been adopted, the board may make transfers or revisions within county departments, or may make supplemental appropriations to the budget from unanticipated state or federal funds or unanticipated funds from local government revenue sources. The board may also provide for expenditure of money not provided for in the budget when it is required for a public emergency that could not reasonably have been foreseen at the time of making the budget.

All appropriations lapse at the end of the fiscal year. Statute provides that appropriation accounts may remain open for a period of between 30 to 60 days, at the discretion of the auditor, for payment of claims incurred against the appropriations prior to the close of the fiscal year. After this period of time has expired, all appropriations become null and void and any subsequent claim against an appropriation must be provided for in the next ensuing budget.

**Summary of Bill:**

During the 30 to 60-day period that appropriation accounts remain open after the end of the fiscal year, the board is authorized to make transfers, revisions, supplemental appropriations, and appropriations to meet public emergencies that occurred prior to the close of the fiscal year.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.