

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H.B. 542
Apr 1, 2015
HOUSE PRINCIPAL CLERK

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HOUSE DRH10218-MC-157 (03/12)

Short Title: Modify Sunset Re: Contingent Audits. (Public)

Sponsors: Representatives Brawley, Hager, and Szoka (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO LIMIT USE OF CONTINGENT-BASED CONTRACTS FOR AUDIT OR
3 ASSESSMENT PURPOSES.
4 The General Assembly of North Carolina enacts:
5 **SECTION 1.** Section 6 of S.L. 2012-152, as amended by Section 61.5(b) of S.L.
6 2012-194, reads as rewritten:
7 "**SECTION 6.** Sections 1, 3, and 3.1 of this act become effective October 1, 2012. The
8 Treasurer shall not renew any contingency fee-based contracts for these services after October
9 1, 2012. The Treasurer shall not assign further audits on a contingency fee basis to an auditing
10 firm under a contract that meets all the following conditions: (i) the contract would have been
11 prohibited under this act had the contract been entered into after October 1, 2012, and (ii) the
12 contract allows the assignment of audits on a discretionary basis by the Treasurer. Sections 2, 4,
13 and 5 of this act become effective July 1, 2013, and expire July 1, 2015. From 2013. After July
14 1, 2013, until July 1, 2015, cities and counties shall not renew any contingency fee-based
15 contracts for these services. From After July 1, 2013, until July 1, 2015, cities and counties
16 shall not assign further audits on a contingency fee basis to an auditing firm under a contract
17 that meets all the following conditions: (i) the contract would have been prohibited under this
18 act had the contract been entered into after July 1, 2013, and (ii) the contract allows the
19 assignment of audits on a discretionary basis. The remainder of the act is effective when the act
20 becomes law."
21 **SECTION 2.** This act is effective when it becomes law.

