

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass
<b>Vote:</b>	7 - 0 - 1
<b>Yeas:</b>	Clem, Conger, Matthews, Sheehan, Smith J., Holvey, Whisnant
<b>Nays:</b>	0
<b>Exc.:</b>	Cameron
<b>Prepared By:</b>	Jan Nordlund, Administrator
<b>Meeting Dates:</b>	4/19

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**WHAT THE MEASURE DOES:** Allows the Secretary of State to audit the use of funds transfers from the state to counties, including video lottery revenues, state highway funds, cigarette tax revenues, and Oregon Liquor Control Commission funds.

**ISSUES DISCUSSED:**

- Growth in amount of transfers
- Accountability
- Existing county audit requirements
- Existing authority of Secretary of State
- Decision to audit based on risk

**EFFECT OF COMMITTEE AMENDMENT:** No amendments.

**BACKGROUND:** The Audits Division has statutory authority to charge public bodies for their share of audit expenses. The use of some funds transferred to counties may be restricted. For example, counties must use their 2.5 percent share of video lottery funds for economic development activities.