H.B. 5391 Summary Index of Changes
Stakeholder Version 3.2 (July 16, 2026)

Sect. 1-10 Def.
Added:
--Familial Interest
--Professional Accounting Services

Sect. 5 CPA Firm Selection & Retention
--This section revised to capture comments/concerns of Park Districts & IGFOA.
--Section streamlined eliminating steps.

Sect. 5-5 Purpose of Sect 5-fair, transparent, competitive bidding process.

Sect. 5-10 CPA RFQ Portal-Centralized location for units of local government to post RFQ's for professional accounting/audit services.

Sect. 5-15 Transition
--Moved to 2030 in response to concerns by comptroller.

Sect. 5-20 Selection
--Auditor selection 8 to 10 years.
--Comptroller adopt administrative rules for minimum consideration for most qualified CPA.

Sect. 5-25 Roles & Responsibilities of Responsible Officials/Management
--Management can provide administrative assistance in auditor selection process. (Park Districts)

Sect. 5-30 Comptroller Guidance & Assistance
--Comptroller to provide guidance and assistance for selection and evaluation of auditors.

Sect. 10-5 Categories of Governments and Thresholds
--Adjust at rate of inflation at rate of 2½% per year with new transition timeline of local government FY 2030.
--Conforming changes reflected throughout.

Category 1 – Less than $315,000
Category 2 – Greater than $315,000, less than $3,677,000
Category 3 – Greater than $3,677,000, less than $36,770,000
Category 4 - $36,770,000

Sect. 10-10 Category 1
--Added ability of local governments to retain an accounting professional/requested by Fire Protection Districts.

(i) Local Government Registry Information Returns Report
Comment: *Comptroller to provide format pursuant to the administrative rules process*.
--W2-1099 reporting—format as prescribed by the comptroller through the administrative rules process/streamlined to address concerns of Park Districts.
--Conforming changes throughout document.

Sect. 10-15 Category 2
(m) Inclusion of reporting of debt schedule in reporting (Sect. 15-15)
--Conforming changes throughout.

--Recommended by **Federation of Bond Analysis**

Sect. 10-20 Category 3 Governments
(m) Data submitted to comptroller. [Data submission, AUPs]
(n) Submission of Auditors' communication as on items outlined. (in re: deficiencies in internal controls, known or suspected fraud or non-compliance with laws or regulations and any reports required by audit standards.
Submission of audit reports (+)auditor communications auditor letters in format determined by comptroller pursuant to administrative rules.
(p) W2-1099 reporting in format prescribed by comptroller pursuant to administrative rules.
(q) Debt schedule as required by 15-15(c).

Sect. 10-25 Category 4 Governments
(o) Submission of reports in format prescribed by the comptroller pursuant to administrative rules. [Data submission, AUPs]
(p) Submission of Auditors' communication as on items outlined. (in re: deficiencies in internal controls, known or suspected fraud or non-compliance with laws or regulations and any reports required by audit standards.
(r) W2-1099 in format prescribed by comptroller pursuant to administrative rules.
(s) Submission of debt schedule prepared under 15-15(c).

Sect. 15-15 Local Government Registry and Report Database
Tax data reported to comptroller by county treasurer.
(in re: streamline reporting for local governments)
(h) Comptroller compile a publicly available database for each county government.

(1) Property tax info
(2) Debt schedules
(3) Info on payments from state treasury

Sect. 15-15 Government Wide AUPs
(c) Comptroller prescribe objective procedures for debt schedules.
--Applies to Categories 2, 3, and 4
(g) Corrected to reflect GAAS
--Cash basis or accrual

Sect. 20 Supervision and Compensation of a Review Board/CPA Firm

Sect. 20-10 Pieces of this section were previously in Sect. 5. With streamlining of processes, moved to Sect. 20-5.

Sect. 20-15 Optional Compensation Review Board
--Ability to levy fees to pay review board.

Sect. 20-2 Authorization for Payment of Review Committee.

Sect. 900-xxx Public Funds Statement Publication Act
--Sunset Act (Recommended by Fire Protection Districts/County Treasurers)
--Compensation Reporting Bands

Sect. 2-23 Changes Transition Dates
Pushes transition dates out by 2 years to 2030. (provide Comptroller w/ adequate time for implementation).