

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 7005
BILL NUMBER: HB 1381

NOTE PREPARED: Jan 22, 2026
BILL AMENDED: Jan 22, 2026

SUBJECT: Removal of City or Town Fiscal Officer.

FIRST AUTHOR: Rep. Smaltz
FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill allows the legislative body of a city or town (municipality) to petition a court for removal of the municipality's fiscal officer for any of the following:

- (1) Charging illegal fees for services.
- (2) Failing to perform official duties.
- (3) With certain exceptions, failing to be present in the officer's office.
- (4) Failing to participate in four consecutive meetings of the legislative body of the municipality.

Effective Date: July 1, 2026.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: This bill's provisions would cause a minor administrative workload increase for legislative bodies to petition a court to remove the municipality's fiscal officer and hold at least one public hearing. A new fiscal officer will likely be chosen from the prior officer's party caucus and the new officer will earn the salary provided by local statute so no other fiscal impacts are likely to occur.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Legislative bodies of municipalities of second or third class cities or towns.

Information Sources:

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