

(D) THE FUNDS DISTRIBUTED UNDER THIS SUBTITLE AND ALLOCATED TO A COUNTY OR MUNICIPALITY SHALL BE ACCOUNTED FOR AND AUDITED IN ACCORDANCE WITH THE PROCEDURES FOR THE ACCOUNTING AND AUDIT OF OTHER GOVERNMENTAL REVENUES. HOWEVER, ANY FUNDS NOT EXPENDED BY THE END OF THE FISCAL YEAR MUST BE PLACED IN A SPECIAL FUND FOR EXPENDITURE IN THE NEXT SUCCEEDING FISCAL YEAR. THE BALANCE OF ANY FUNDS DISTRIBUTED UNDER THIS SUBTITLE THAT REMAINS UNENCUMBERED OR UNEXPENDED BY THE COUNTY OR MUNICIPALITY AFTER THE SECOND FISCAL YEAR SHALL BE REPAID TO THE SECRETARY FOR DEPOSIT IN THE GENERAL FUND OF THE STATE. THE COMPTROLLER MAY SET OFF ANY SHARED REVENUES DUE A LOCAL GOVERNMENT IN LIEU OF REPAYMENT UNDER THIS SUBSECTION. THE FUNDS DISTRIBUTED UNDER THIS SUBTITLE TO BE EXPENDED BY A VOLUNTEER OR MUNICIPAL COMPANY SHALL BE MAINTAINED IN A SEPARATE ACCOUNT AND SHALL BE AUDITED IN THE SAME MANNER AS OTHER FUNDS OF THE VOLUNTEER OR MUNICIPAL COMPANY ARE AUDITED. COPIES OF THE AUDIT OF THE ACCOUNT SHALL BE SUBMITTED TO THE RESPECTIVE COUNTY AND--MUNICIPAL--GOVERNMENTS GOVERNMENT AND THE DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONAL SERVICES.

(E) (1) EACH COUNTY AND MUNICIPALITY SHALL SUBMIT TO THE SECRETARY OF PUBLIC SAFETY AND CORRECTIONAL SERVICES BY NOVEMBER 1 OF EACH YEAR, A REPORT CONTAINING THE FOLLOWING INFORMATION FOR THE PRECEDING FISCAL YEAR:

(I) THE AMOUNT OF FUNDS DISTRIBUTED TO EACH RECIPIENT AND THE PURPOSE OF EXPENDITURE OF THESE FUNDS CATEGORIZED AS PROVIDED IN SECTION 45B(D)(1) OF THIS SUBTITLE;

(II) THE AMOUNT AND DISPOSITION OF ANY UNENCUMBERED OR UNEXPENDED FUNDS; AND

(III) THE AMOUNT OF EXPENDITURES BY THE COUNTY OR MUNICIPALITY FOR FIRE PROTECTION.

(2) A COPY OF THIS REPORT SHALL BE PROVIDED TO THE DEPARTMENT OF FISCAL SERVICES.

(3) THE SECRETARY MAY WITHHOLD FUNDS WITH RESPECT TO THE NEXT FISCAL YEAR FROM A COUNTY OR--MUNICIPALITY--WITHIN--THE COUNTY IF THE COUNTY OR MUNICIPALITY DOES NOT COMPLY WITH THE PROVISIONS OF THIS SUBTITLE. FAILURE TO COMPLY AFTER NOTICE AND OPPORTUNITY FOR A HEARING MAY RESULT IN THE FORFEITURE OF THE ALLOCATED FUNDS, EITHER IN PART OR IN FULL, AND REVERSION TO THE STATE GENERAL FUND.

(F) THE SECRETARY SHALL REPORT ANNUALLY TO THE GOVERNOR AND, SUBJECT TO § 2-1312 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY, AS TO THE INFORMATION PROVIDED BY COUNTIES AND MUNICIPALITIES ON THE DISTRIBUTION OF AID PROVIDED UNDER THIS SUBTITLE WITH AN ASSESSMENT OF THE EXTENT TO WHICH THE PURPOSES OF THIS SUBTITLE ARE BEING ACHIEVED.