

SECOND REGULAR SESSION

HOUSE BILL NO. 2037

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES HARRIS (23) (Sponsor), WILDBERGER, LAMPE, ROORDA, OXFORD, LeVOTA, BAKER (25), SANDERS BROOKS AND KUESSNER (Co-sponsors).

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STEPHEN S. DAVIS, Chief Clerk

4684L.01I

AN ACT

To repeal sections 23.140, 23.256, and 23.271, RSMo, and to enact in lieu thereof three new sections relating to analysis of legislative fiscal note projections.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 23.140, 23.256, and 23.271, RSMo, are repealed and three new
2 sections enacted in lieu thereof, to be known as sections 23.140, 23.256, and 23.271, to read as
3 follows:

23.140. 1. Legislation, with the exception of appropriation bills, introduced into either
2 house of the general assembly shall, before being acted upon, be submitted to the oversight
3 division of the committee on legislative research for the preparation of a fiscal note. The staff
4 of the oversight division shall prepare a fiscal note, examining the items contained in subsection
5 2 and such additional items as may be provided either by joint rule of the house and senate or by
6 resolution adopted by the committee or the oversight subcommittee.

7 2. The fiscal note shall state:

8 (1) The cost of the proposed legislation to the state for the next two fiscal years;

9 (2) Whether or not the proposed legislation will establish a program or agency that will
10 duplicate an existing program or agency;

11 (3) Whether or not there is a federal mandate for the program or agency;

12 (4) Whether or not the proposed program or agency will have significant direct fiscal
13 impact upon any political subdivision of the state;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

14 (5) Whether or not any new physical facilities will be required; and

15 (6) Whether or not the proposed legislation will have an economic impact on small
16 businesses. For the purpose of this subdivision "small business" means a corporation,
17 partnership, sole proprietorship or other business entity, including its affiliates, that:

18 (a) Is independently owned and operated; and

19 (b) Employs fifty or fewer full-time employees.

20 3. The fiscal note for a bill shall accompany the bill throughout its course of passage.
21 No member of the general assembly, lobbyist or persons other than oversight division staff
22 members shall participate in the preparation of any fiscal note unless the communication is in
23 writing, with a duplicate to be filed with the fiscal note or unless requested for information by
24 the fiscal analyst preparing the note. Violations of this provision shall be reported to the
25 chairman of the legislative research committee and subject the fiscal note and proposed bill to
26 subcommittee review. Once a fiscal note has been signed and approved by the director of the
27 oversight division, the note shall not be changed or revised without prior approval of the
28 chairman of the legislative research committee, except to reflect changes made in the bill it
29 accompanies, or to correct patent typographical, clerical or drafting errors that do not involve
30 changes of substance, nor shall substitution be made therefor. Appeals to revise, change or to
31 substitute a fiscal note shall be made in writing by a member of the general assembly to the
32 chairman of the legislative research committee and a hearing before the committee or
33 subcommittee shall be granted as soon as possible. Any member of the general assembly, upon
34 presentation of new or additional material, may, within three legislative days after the hearing
35 on the request to revise, change or substitute a fiscal note, request one rehearing before the full
36 committee to further consider the requested change. The subcommittee, if satisfied that new or
37 additional material has been presented, may recommend such rehearing to the full committee,
38 and the rehearing shall be held as soon as possible thereafter.

39 4. The director of the division, hereinafter provided for, or the director's designees, shall
40 seek information and advice from the affected department, division or agency of state
41 government and shall call upon the research staffs of the house of representatives and of the
42 senate, and upon the staffs of the house and senate appropriations committees for assistance in
43 carrying out fiscal notes and auditing functions and duties, during the interim, and each staff
44 shall supply such information or advice as it may possess in response to the inquiry. The state
45 auditor shall, upon request, cooperate and provide assistance in the conduct of audits and the
46 preparation of reports made in connection therewith.

47 **5. The division shall determine the extent to which actual revenues and expenses**
48 **of each program as operated by an agency correlates to the projections and other**
49 **information provided the division in preparing any fiscal note for the legislation enacting**

50 such program. Beginning in 2007 for legislation enacted in 2004 and every year thereafter,
51 the division shall periodically report to the committee, the speaker of the house of
52 representatives, and the president pro tempore of the senate the correlation of fiscal note
53 projections made for legislation enacted for the prior third-year period with actual
54 revenues and expenses attributable to such legislation.

23.256. Before October thirtieth of the second calendar year prior to the year in which
2 a state program subject to sections 23.250 to 23.298 is scheduled to sunset, the agency shall
3 report to the committee:

4 (1) Information regarding the application to the program of the criteria in section 23.268;
5 [and]

6 (2) **Analysis of the actual fiscal impact of legislation enacted by the general**
7 **assembly as provided by agencies under section 23.268 compared to fiscal note projections**
8 **related to such legislation; and**

9 (3) Any other information that the agency considers appropriate or that is requested by
10 the committee.

23.271. 1. In its report on a program, the committee shall:

2 (1) Make recommendations on the sunset, continuation, or reorganization of each
3 affected program and on the need for the performance of the functions of the program;

4 (2) Make recommendations on the consolidation, transfer, or reorganization of programs
5 within state agencies not under review when the programs duplicate functions performed in
6 programs under review;

7 (3) Recommend appropriation levels for each program for which sunset or reorganization
8 is recommended pursuant to subdivision (1) or (2) of this subsection; and

9 (4) Include drafts of legislation necessary to carry out the committee's recommendations
10 pursuant to subdivisions (1) and (2) of this subsection.

11 2. On the date the committee presents its report to the general assembly pursuant to
12 section 23.265, the committee shall present to the state auditor the committee's recommendations
13 that do not require a statutory change to be put into effect **and any substantial discrepancy as**
14 **determined under subdivision (2) of section 23.256 between projected and actual revenues**
15 **and expenses of any program.** The state auditor shall examine the recommendations and shall
16 prepare, as part of the next scheduled audit of the program, a report on the manner in which the
17 agency has implemented the recommendations.

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