

FIRST REGULAR SESSION

HOUSE BILL NO. 271

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE HOSKINS.

0684H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 29.235, RSMo, and to enact in lieu thereof one new section relating to authority of the state auditor.

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

Section A. Section 29.235, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 29.235, to read as follows:

29.235. 1. The auditor and the auditor's authorized agents are authorized to:

(1) Examine all books, accounts, records, reports, **or** vouchers of any state agency or entity subject to audit, insofar as they are necessary to conduct an audit under this chapter, provided that the auditor complies with state and federal financial privacy requirements prior to accessing financial records including provisions presented in chapter 408 and provided that the auditor or other public entity reimburses the reasonable documentation and production costs relating to compliance with examination by the auditor or auditor's authorized agents that pertain to:

(a) Amounts received under a grant or contract from the federal government or the state or its political subdivisions;

(b) Amounts received, disbursed, or otherwise handled on behalf of the federal government or the state;

(2) Examine and inspect all property, equipment, and facilities in the possession of any state agency, political subdivision, or quasi-governmental entity that were furnished or otherwise provided through grant, contract, or any other type of funding by the state of Missouri or the federal government; and

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.

17 (3) Review state tax returns[, except such review shall be limited to matters of official
18 business, and the auditor's report shall not violate the confidentiality provisions of tax laws.
19 Notwithstanding confidentiality provisions of tax laws to the contrary, the auditor may use or
20 disclose information related to overdue tax debts in support of the auditor's statutory mission]
21 **only to the extent permitted under section 32.057.**

22 2. All [contracts or] **grant** agreements entered into as a result of the award of a grant by
23 state agencies or political subdivisions shall include, as a necessary part, a clause describing the
24 auditor's [access as provided under this section] **authority to examine and inspect property,**
25 **equipment, and facilities purchased with funds from the grant that are in possession of the**
26 **recipient state agency or political subdivision.**

27 3. The auditor may obtain the services of certified public accountants, qualified
28 management consultants, or other professional persons and experts as the auditor deems
29 necessary or desirable to carry out the duties and functions assigned under this chapter. Unless
30 otherwise authorized by law, no state agency shall enter into any contract for auditing services
31 without consultation with, and the prior written approval of, the auditor.

32 4. (1) Insofar as necessary to conduct an audit under this chapter, the auditor or the
33 auditor's authorized representatives shall have the power to subpoena witnesses, to take
34 testimony under oath, to cause the deposition of witnesses residing within or without the state
35 to be taken in a manner prescribed by law, and to assemble records and documents, by subpoena
36 or otherwise. The subpoena power granted by this section shall be exercised only at the specific
37 written direction of the auditor or the auditor's chief deputy.

38 (2) If any person refuses to comply with a subpoena, the auditor shall seek to enforce the
39 subpoena before a court of competent jurisdiction to require the attendance and testimony of
40 witnesses and the production of books, papers, correspondence, memoranda, contracts,
41 agreements, and other records. Such court may issue an order requiring such person to appear
42 before the auditor or officers designated by the auditor to produce records or to give testimony
43 relating to the matter under investigation or in question. Any failure to comply with such order
44 of the court may be punished by such court as contempt.

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