

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3479-02
Bill No.: HB 1814
Subject: Counties; Political Subdivisions; County Officials; Auditor, State
Type: Original
Date: January 22, 2020

Bill Summary: This proposal changes the law regarding county financial statements.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

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ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Local Government	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000

FISCAL ANALYSIS

ASSUMPTION

Officials at **Henry County** assume a savings of \$1,800 annually in publication costs from this proposal.

Oversight inquired Henry County regarding this proposal. The County currently submits a 14 page document to the newspaper which lists out every dollar by vendor. Since this proposal requires a summary of data to be published in the newspaper, Henry County's publishing costs would be reduced as the number of pages would be reduced that would be submitted to the newspaper.

Officials at **Lincoln County** assume a savings of \$2,000 annually in publication costs from this proposal.

Officials at **Livingston County** assume a savings of \$2,500 annually in publication costs from this proposal.

Oversight assumes this proposal requires the county financial statements to be published in a newspaper of general circulation each year in the month of March for all non-charter counties. First class non-charter counties already follow this section of statute. This proposal would add 2nd, 3rd and 4th class counties to this section. Using the counties above as an example, if the average of the three counties publication costs is \$2,100 and 96 counties (2nd, 3rd and 4th class counties) in Missouri published their financials in the newspaper, the potential savings could be up to \$201,600 ($\$2,100 \times 96$) per year. Therefore, Oversight will reflect a potential savings in publication costs for counties to post their financials through a newspaper of general circulation in their county that could exceed \$100,000 annually from this proposal.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other counties were requested to respond to this proposed legislation, but did not. A general listing of political subdivisions included in our database is available upon request.

Officials at the **State Auditor's Office** assume no fiscal impact from this proposal.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for the Office of the State Auditor.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
COUNTIES			
<u>Savings</u> - in publication costs on financials posted in a newspaper of general circulation	Could exceed <u>\$100,000</u>	Could exceed <u>\$100,000</u>	Could exceed <u>\$100,000</u>
ESTIMATED NET EFFECT ON COUNTY FUNDS	Could exceed <u>\$100,000</u>	Could exceed <u>\$100,000</u>	Could exceed <u>\$100,000</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill requires all non-charter counties, by the first Monday in March, to prepare and publish in a qualified newspaper a financial statement for the previous year.

The financial statement shall include the name and current gross annual salary of each elected or appointed county official whose salary is set by the county salary commission.

The county clerk or other officer responsible for the preparation of the financial statement shall preserve the documents relied upon in the making of the financial statements and shall provide an electronic copy free of charge to any newspaper requesting a copy of the data.

Currently, these requirements only apply to counties of the first classification not having a charter form of government.

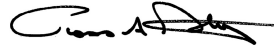
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Henry County
Lincoln County
Livingston County
State Auditor's Office



Julie Morff
Director
January 22, 2020



Ross Strobe
Assistant Director
January 22, 2020