

SS SCS SB 724 -- POLITICAL SUBDIVISIONS
(Vetoed by Governor)

This bill modifies the provisions related to financial statements of political subdivisions.

COUNTY FINANCIAL STATEMENTS (Sections 50.815 and 50.820, and Repeal of 50.800 and 50.810, RSMo)

The bill changes the date counties must prepare and publish their financial statements from the first Monday in March to June 30th of each year. Additionally, the county treasurer may not pay the county commission until notice is received from the state auditor that the county's financial statement has been published in a newspaper after the first day of July.

The bill requires second, third, and fourth class counties to produce and publish a county annual financial statement in the same manner as first class counties. The financial statement must include the name, office, and current gross annual salary of each elected or appointed county official.

The county clerk or other county officer preparing the financial statement must provide an electronic copy of the data used to create the financial statement without charge to the newspaper requesting the data.

Finally, the newspaper publishing the financial statement must charge and receive no more than its regular local classified advertising rate as published 30 days before the publication of the financial statement.

PENALTIES FOR FAILURE TO FILE FINANCIAL STATEMENT (Section 105.145)

Currently, any transportation development district having gross revenues of less than \$5,000 in a fiscal year for which an annual financial statement was not timely filed to the State Auditor is not subject to a fine. The bill provides that any political subdivision that has gross revenues of less than \$5,000 or that has not levied or collected sales or use taxes in the fiscal year for which the annual financial statement was not timely filed is not subject to a fine.

Additionally, if failure to timely submit the annual financial statement is the result of fraud or other illegal conduct by an employee or officer of the political subdivision, the political subdivision is not subject to a fine if the statement is filed within 30 days of discovery of the fraud or illegal conduct.

If the political subdivision has an outstanding balance for fines at the time it files its first annual financial statement after August 28, 2022, the Director of Revenue must make a one-time downward adjustment to such outstanding balance in an amount that reduces the outstanding balance by no less than 90%. If the Director determines a fine is uncollectable, the Director has the authority to make a one-time downward adjustment to any outstanding penalty.

EXPENDITURES OF SCHOOL DISTRICTS (Section 164.450)

This bill specifies that school districts in St. Charles County that receive voter approval for the issuance of bonds must maintain a detailed accounting of each and every expenditure by the school district for the moneys generated by such issuance. School districts must be required to maintain a budget for each project and the budget shall detail the exact cost of the project and the source of all moneys used to fund the project. All information in the budget must be maintained and updated on the website of the school district and shall be publicly available.

Any project undertaken by a school district must be halted immediately upon exceeding the budgeted amount of moneys to complete such a project by more than 10%. The continuation of the project may not occur until the school district receives voter approval for the issuance of further bond indebtedness specifically for such project.

Any taxpayer residing within a school district that violates the provisions of this section may seek, and a court shall order, injunctive relief against such school district in any court of competent jurisdiction to enforce the provisions of this section.