

FIRST REGULAR SESSION

HOUSE BILL NO. 514

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CHRISTENSEN.

1581H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 105.145 as enacted by house bill no. 1606, one hundred first general assembly, second regular session, and section 105.145 as enacted by senate bill no. 112, ninety-ninth general assembly, first regular session, and to enact in lieu thereof one new section relating to political subdivision annual financial statements.

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

Section A. Section 105.145 as enacted by house bill no. 1606, one hundred first
2 general assembly, second regular session, and section 105.145 as enacted by senate bill no.
3 112, ninety-ninth general assembly, first regular session, are repealed and one new section
4 enacted in lieu thereof, to be known as section 105.145, to read as follows:

105.145. 1. The following definitions shall be applied to the terms used in this
2 section:

3 (1) "Governing body", the board, body, or persons in which the powers of a political
4 subdivision as a body corporate, or otherwise, are vested;

5 (2) "Political subdivision", any agency or unit of this state, except counties and school
6 districts, which now is, or hereafter shall be, authorized to levy taxes or empowered to cause
7 taxes to be levied.

8 2. The governing body of each political subdivision in the state shall cause to be
9 prepared an annual report of the financial transactions of the political subdivision in such
10 summary form as the state auditor shall prescribe by rule, except that the annual report of
11 political subdivisions whose cash receipts for the reporting period are ten thousand dollars or
12 less shall only be required to contain the cash balance at the beginning of the reporting period,

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.

13 a summary of cash receipts, a summary of cash disbursements and the cash balance at the end
14 of the reporting period.

15 3. Within such time following the end of the fiscal year as the state auditor shall
16 prescribe by rule, the governing body of each political subdivision shall cause a copy of the
17 annual financial report to be remitted to the state auditor.

18 4. The state auditor shall immediately on receipt of each financial report acknowledge
19 the receipt of the report.

20 5. In any fiscal year no member of the governing body of any political subdivision of
21 the state shall receive any compensation or payment of expenses after the end of the time
22 within which the financial statement of the political subdivision is required to be filed with
23 the state auditor and until such time as the notice from the state auditor of the filing of the
24 annual financial report for the fiscal year has been received.

25 6. The state auditor shall prepare sample forms for financial reports and shall mail the
26 same to the political subdivisions of the state. Failure of the auditor to supply such forms
27 shall not in any way excuse any person from the performance of any duty imposed by this
28 section.

29 7. All reports or financial statements hereinabove mentioned shall be considered to be
30 public records.

31 8. The provisions of this section apply to the board of directors of every
32 transportation development district organized under sections 238.200 to 238.275.

33 9. Any political subdivision that fails to timely submit a copy of the annual financial
34 statement to the state auditor shall be subject to a fine of five hundred dollars per day.

35 10. ~~(1) The state auditor shall report any [violation of subsection 9 of this section]~~
36 **failure to timely submit a copy of the annual financial statement** to the department of
37 revenue.

38 **(2)** Upon notification from the state auditor's office that a political subdivision failed
39 to timely submit a copy of the annual financial statement, the department of revenue shall
40 notify such political subdivision by certified mail that the statement has not been received.
41 Such notice shall clearly set forth the following:

42 ~~(1)~~ **(a)** The name of the political subdivision;

43 ~~(2)~~ **(b)** That the political subdivision shall be subject to a fine of five hundred
44 dollars per day if the political subdivision does not submit a copy of the annual financial
45 statement to the state auditor's office within thirty days from the postmarked date stamped on
46 the certified mail envelope;

47 ~~(3)~~ **(c)** That the fine will be enforced and collected as provided under subsection 11
48 of this section; and

49 ~~[(4)]~~ (d) That the fine will begin accruing on the thirty-first day from the postmarked
50 date stamped on the certified mail envelope and will continue to accrue until the state
51 auditor's office receives a copy of the financial statement.

52 (3) In the event a copy of the annual financial statement is received within such thirty-
53 day period, no fine shall accrue or be imposed. The state auditor shall report receipt of the
54 financial statement to the department of revenue within ten business days. Failure of the
55 political subdivision to submit the required annual financial statement within such thirty-day
56 period shall cause the fine to be collected as provided under subsection 11 of this section.

57 11. The department of revenue may collect the fine authorized under the provisions of
58 subsection 9 of this section by offsetting any sales or use tax distributions due to the political
59 subdivision. The director of revenue shall retain two percent for the cost of such collection.
60 The remaining revenues collected from such violations shall be distributed annually to the
61 schools of the county in the same manner that proceeds for all penalties, forfeitures, and fines
62 collected for any breach of the penal laws of the state are distributed.

63 12. (1) Any political subdivision that has gross revenues of less than five thousand
64 dollars or that has not levied or collected taxes in the fiscal year for which the annual financial
65 statement was not timely filed shall not be subject to the fine authorized in this section.

66 (2) **Notwithstanding any provision of this section or any other law to the**
67 **contrary, no political subdivision with fewer than five hundred inhabitants shall be**
68 **subject to the fine authorized in this section, and any fine or fines previously assessed**
69 **but not paid in full shall be deemed void. A political subdivision subject to this**
70 **subdivision shall timely file the annual financial statement under this section.**

71 13. If a failure to timely submit the annual financial statement is the result of fraud or
72 other illegal conduct by an employee or officer of the political subdivision, the political
73 subdivision shall not be subject to a fine authorized under this section if the statement is filed
74 within thirty days of the discovery of the fraud or illegal conduct. If a fine is assessed and
75 paid prior to the filing of the statement, the department of revenue shall refund the fine upon
76 notification from the political subdivision.

77 14. If a political subdivision has an outstanding balance for fines or penalties at the
78 time it files its first annual financial statement after January 1, 2023, the director of revenue
79 shall make a one-time downward adjustment to such outstanding balance in an amount that
80 reduces the outstanding balance by no less than ninety percent.

81 15. The director of revenue shall have the authority to make a one-time downward
82 adjustment to any outstanding penalty imposed under this section on a political subdivision if
83 the director determines the fine is uncollectable. The director of revenue may prescribe rules
84 and regulations necessary to carry out the provisions of this subsection. Any rule or portion
85 of a rule, as that term is defined in section 536.010, that is created under the authority

86 delegated in this section shall become effective only if it complies with and is subject to all of
87 the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter
88 536 are nonseverable and if any of the powers vested with the general assembly pursuant to
89 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are
90 subsequently held unconstitutional, then the grant of rulemaking authority and any rule
91 proposed or adopted after August 28, 2022, shall be invalid and void.

~~[105.145. 1. The following definitions shall be applied to the terms used in this section:~~

~~(1) "Governing body", the board, body, or persons in which the powers of a political subdivision as a body corporate, or otherwise, are vested;~~

~~(2) "Political subdivision", any agency or unit of this state, except counties and school districts, which now is, or hereafter shall be, authorized to levy taxes or empowered to cause taxes to be levied.~~

~~2. The governing body of each political subdivision in the state shall cause to be prepared an annual report of the financial transactions of the political subdivision in such summary form as the state auditor shall prescribe by rule, except that the annual report of political subdivisions whose cash receipts for the reporting period are ten thousand dollars or less shall only be required to contain the cash balance at the beginning of the reporting period, a summary of cash receipts, a summary of cash disbursements and the cash balance at the end of the reporting period.~~

~~3. Within such time following the end of the fiscal year as the state auditor shall prescribe by rule, the governing body of each political subdivision shall cause a copy of the annual financial report to be remitted to the state auditor.~~

~~4. The state auditor shall immediately on receipt of each financial report acknowledge the receipt of the report.~~

~~5. In any fiscal year no member of the governing body of any political subdivision of the state shall receive any compensation or payment of expenses after the end of the time within which the financial statement of the political subdivision is required to be filed with the state auditor and until such time as the notice from the state auditor of the filing of the annual financial report for the fiscal year has been received.~~

~~6. The state auditor shall prepare sample forms for financial reports and shall mail the same to the political subdivisions of the state. Failure of the auditor to supply such forms shall not in any way excuse any person from the performance of any duty imposed by this section.~~

~~7. All reports or financial statements hereinabove mentioned shall be considered to be public records.~~

~~8. The provisions of this section apply to the board of directors of every transportation development district organized under sections 238.200 to 238.275.~~

~~9. Any political subdivision that fails to timely submit a copy of the annual financial statement to the state auditor shall be subject to a fine of five hundred dollars per day.~~

40 ~~10. The state auditor shall report any violation of subsection 9 of this~~
41 ~~section to the department of revenue. Upon notification from the state~~
42 ~~auditor's office that a political subdivision failed to timely submit a copy of the~~
43 ~~annual financial statement, the department of revenue shall notify such~~
44 ~~political subdivision by certified mail that the statement has not been received.~~
45 ~~Such notice shall clearly set forth the following:~~

46 ~~(1) The name of the political subdivision;~~

47 ~~(2) That the political subdivision shall be subject to a fine of five~~
48 ~~hundred dollars per day if the political subdivision does not submit a copy of~~
49 ~~the annual financial statement to the state auditor's office within thirty days~~
50 ~~from the postmarked date stamped on the certified mail envelope;~~

51 ~~(3) That the fine will be enforced and collected as provided under~~
52 ~~subsection 11 of this section; and~~

53 ~~(4) That the fine will begin accruing on the thirty-first day from the~~
54 ~~postmarked date stamped on the certified mail envelope and will continue to~~
55 ~~accrue until the state auditor's office receives a copy of the financial statement.~~

56
57 ~~In the event a copy of the annual financial statement is received within such~~
58 ~~thirty-day period, no fine shall accrue or be imposed. The state auditor shall~~
59 ~~report receipt of the financial statement to the department of revenue within~~
60 ~~ten business days. Failure of the political subdivision to submit the required~~
61 ~~annual financial statement within such thirty-day period shall cause the fine to~~
62 ~~be collected as provided under subsection 11 of this section.~~

63 ~~11. The department of revenue may collect the fine authorized under~~
64 ~~the provisions of subsection 9 of this section by offsetting any sales or use tax~~
65 ~~distributions due to the political subdivision. The director of revenue shall~~
66 ~~retain two percent for the cost of such collection. The remaining revenues~~
67 ~~collected from such violations shall be distributed annually to the schools of~~
68 ~~the county in the same manner that proceeds for all penalties, forfeitures, and~~
69 ~~finest collected for any breach of the penal laws of the state are distributed.~~

70 ~~12. Any transportation development district organized under sections~~
71 ~~238.200 to 238.275 having gross revenues of less than five thousand dollars in~~
72 ~~the fiscal year for which the annual financial statement was not timely filed~~
73 ~~shall not be subject to the fine authorized in this section.]~~

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