

FIRST REGULAR SESSION

SENATE BILL NO. 185

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR LeVOTA.

Pre-filed January 5, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

0986S.01I

AN ACT

To repeal sections 23.140, 23.150, and 33.282, RSMo, and to enact in lieu thereof five new sections relating to the state budget.

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

Section A. Sections 23.140, 23.150, and 33.282, RSMo, are repealed and
2 five new sections enacted in lieu thereof, to be known as sections 21.325, 23.140,
3 23.150, 33.255, and 33.282, to read as follows:

21.325. An audio and visual feed of all committee hearings held
2 **by the house of representatives or the senate regarding an**
3 **appropriations bill shall be made available on the general assembly**
4 **website as well as the website of the chamber holding the hearing.**

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

9 2. The fiscal note shall state:

10 (1) The cost of the proposed legislation to the state for the next [two] five
11 fiscal years **or if the proposed legislation is being phased in over a**
12 **period longer than five years, the period over which it is being phased**
13 **in;**

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

16 (3) Whether or not there is a federal mandate for the program or agency;
17 (4) Whether or not the proposed program or agency will have significant
18 direct fiscal impact upon any political subdivision of the state;

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

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

24 (a) Is independently owned and operated; and

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

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

48 4. The director of the division, hereinafter provided for, or the director's
49 designees, shall seek information and advice from the affected department,
50 division or agency of state government and shall call upon the research staffs of
51 the house of representatives and of the senate, and upon the staffs of the house

52 and senate appropriations committees for assistance in carrying out fiscal notes
53 and evaluations of programs selected by the committee, during the interim, and
54 each staff shall supply such information or advice as it deems appropriate in
55 response to the inquiry. The state auditor shall, upon request, cooperate and
56 provide assistance in the conduct of audits and the preparation of reports made
57 in connection therewith.

23.150. 1. The committee on legislative research shall organize an
2 oversight division to prepare fiscal notes and to conduct program evaluations of
3 state agencies, including program evaluations involving budget transparency and
4 accountability. The committee may form a subcommittee of not less than six
5 members to provide direct supervision of the personnel and practices of the
6 division. The subcommittee shall consist of one-half of the members appointed
7 by the chair from the house which he or she represents and one-half of the
8 members appointed by the vice chair from the house which he or she represents.

2 9 2. Within the limits of the appropriations made for this division, the
10 committee shall employ a director of the oversight division and other personnel
11 as it deems necessary. The director shall be qualified by training and experience
12 to conduct such evaluations, and he or she shall be directly responsible for those
13 activities. The director of the oversight division, with the consent of the joint
14 committee, may employ personnel necessary to carry out the duties prescribed in
15 this chapter. Persons employed to work in the oversight division shall be
16 professional persons possessing a wide knowledge and demonstrated expertise in
17 governmental programming and financial planning, in conducting program review
18 evaluations and analytic studies, and of federal, state, and local government
19 budgetary processes, laws and regulations of the state of Missouri.

20 3. **By January first of each year, the oversight division shall**
21 **prepare a current services baseline which shall project the cost of**
22 **continuing to deliver the same quantity and quality of services in the**
23 **next fiscal year as in the current fiscal year.**

33.255. 1. There is hereby established the "Consensus Revenue
2 Estimate Committee" to be composed of the following members:
3 (1) The chair of the house of representatives budget committee;
4 (2) The chair of the senate appropriations committee;
5 (3) The state budget director;
6 (4) The director of revenue;
7 (5) The state treasurer;

8 **(6) An economist with access to and knowledge of the resources**
9 **at the Economic and Policy Analysis Research Center at the Columbia**
10 **campus of the University of Missouri and who shall be appointed by the**
11 **governor;**

12 **(7) An economist from a public university in this state other than**
13 **the Columbia campus of the University of Missouri who shall be**
14 **appointed by the speaker of the house of representatives;**

15 **(8) An economist from either the Federal Reserve Bank of St.**
16 **Louis or the Federal Reserve Bank of Kansas City who shall be**
17 **appointed by the president pro tem of the senate.**

18 **2. On or before December twentieth in each year preceding the**
19 **annual session of the general assembly, the committee shall meet and**
20 **produce the official consensus revenue estimate for the upcoming fiscal**
21 **year. A second meeting shall be held sometime after March fifteenth**
22 **but before April fifteenth to make any needed revisions to the estimate.**
23 **A third meeting shall be held sometime after August fifteenth, but before**
24 **any session held pursuant to section 32 of article III of the Constitution**
25 **of Missouri. The committee may hold other meetings as warranted by**
26 **changes in economic conditions or other exigencies to make changes to**
27 **the estimate.**

28 **3. The budgets produced by the governor, the house of**
29 **representatives, and the senate shall be based on the consensus**
30 **revenue estimate agreed to by the committee.**

31 **4. Any vacancy on the committee shall be filled in the same**
32 **manner as the original appointment. Any appointed member of the**
33 **committee shall serve at the pleasure of the appointing**
34 **authority. Committee members shall serve without compensation but**
35 **shall be entitled to reimbursement for actual and necessary expenses**
36 **incurred in the performance of their official duties.**

33.282. 1. Subject to appropriation the office of administration shall
2 develop a tax expenditure budget for submission to the general assembly in
3 conjunction with the submission of the state budget as required in section
4 33.280. The tax expenditure budget shall indicate, on an annual basis, the
5 reduction in revenue collections for each fiscal year as a result of each deduction,
6 exemption, credit or other tax preference as may be authorized by law, and shall
7 indicate, where appropriate, the tax source of each state-funded program. The
8 tax expenditure budget shall be made available to the public and be in

9 **a format that is user friendly and easily understandable.** Periodically the
10 tax expenditure budget shall include a cost-benefit analysis of the following:

- 11 (1) The neighborhood assistance program, sections 32.100 to 32.125;
- 12 (2) Tax increment financing, sections 99.800 to 99.865;
- 13 (3) Export and infrastructure funding, sections 100.250 to 100.297;
- 14 (4) Credit for new expanded business facility, sections 135.100 to 135.150;
- 15 (5) Enterprise zones, sections 135.200 to 135.256;
- 16 (6) Main street program, sections 251.470 to 251.485;
- 17 (7) Economic development districts, sections 251.500 to 251.510;
- 18 (8) Rural economic development, sections 620.155 to 620.165;
- 19 (9) Export development, sections 620.170 to 620.174;
- 20 (10) Small business incubator program, section 620.495; and
- 21 (11) Other programs as may be practical. Pursuant to the provisions of
22 section 32.057, the department of revenue shall not release information as part
23 of the tax expenditure budget in a manner that would allow the identification of
24 any individual taxpayer.

25 2. On or before October first of each year each state department
26 authorized by law to offer deductions, exemptions, credits or other tax preferences
27 shall submit to the budget director the estimated amount of such tax
28 expenditures for the fiscal year beginning July first of the following year and a
29 cost/benefit analysis of such tax expenditures for the preceding fiscal year. Such
30 estimates and analysis shall be in the manner and form prescribed by the budget
31 director and shall be submitted by the budget director to the chairman of the
32 senate appropriations committee and the chairman of the house budget committee
33 by January first of each year.

34 3. No new tax credits, except the senior citizens property tax credit as
35 referenced in chapter 135, shall be issued or certified for any tax year beginning
36 after July first of the following year unless the estimate of such credits have been
37 reviewed and approved by a majority of the senate appropriations committee and
38 the house budget committee.

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