

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 724
AN ACT

To repeal section 105.145, RSMo, and to enact in lieu thereof one new section relating to financial statements of political subdivisions, with penalty provisions.

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

Section A. Section 105.145, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 105.145,
3 to read as follows:

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

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

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

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

18 summary of cash receipts, a summary of cash disbursements
19 and the cash balance at the end of the reporting period.

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

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

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

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

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

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

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

49 10. The state auditor shall report any violation of
50 subsection 9 of this section to the department of revenue.

51 Upon notification from the state auditor's office that a
52 political subdivision failed to timely submit a copy of the
53 annual financial statement, the department of revenue shall
54 notify such political subdivision by certified mail that the
55 statement has not been received. Such notice shall clearly
56 set forth the following:

- 57 (1) The name of the political subdivision;
- 58 (2) That the political subdivision shall be subject to
59 a fine of five hundred dollars per day if the political
60 subdivision does not submit a copy of the annual financial
61 statement to the state auditor's office within thirty days
62 from the postmarked date stamped on the certified mail
63 envelope;
- 64 (3) That the fine will be enforced and collected as
65 provided under subsection 11 of this section; and
- 66 (4) That the fine will begin accruing on the thirty-
67 first day from the postmarked date stamped on the certified
68 mail envelope and will continue to accrue until the state
69 auditor's office receives a copy of the financial statement.

70 In the event a copy of the annual financial statement is
71 received within such thirty-day period, no fine shall accrue
72 or be imposed. The state auditor shall report receipt of
73 the financial statement to the department of revenue within
74 ten business days. Failure of the political subdivision to
75 submit the required annual financial statement within such
76 thirty-day period shall cause the fine to be collected as
77 provided under subsection 11 of this section.

78 11. The department of revenue may collect the fine
79 authorized under the provisions of subsection 9 of this
80 section by offsetting any sales or use tax distributions due
81 to the political subdivision. The director of revenue shall
82 retain two percent for the cost of such collection. The
83 remaining revenues collected from such violations shall be

84 distributed annually to the schools of the county in the
85 same manner that proceeds for all penalties, forfeitures,
86 and fines collected for any breach of the penal laws of the
87 state are distributed.

88 12. Any [transportation development district organized
89 under sections 238.200 to 238.275 having] political
90 subdivision that has gross revenues of less than five
91 thousand dollars or that has not levied or collected sales
92 or use taxes in the fiscal year for which the annual
93 financial statement was not timely filed shall not be
94 subject to the fine authorized in this section.

95 13. If a failure to timely submit the annual financial
96 statement is the result of fraud or other illegal conduct by
97 an employee or officer of the political subdivision, the
98 political subdivision shall not be subject to a fine
99 authorized under this section if the statement is filed
100 within thirty days of the discovery of the fraud or illegal
101 conduct. If a fine is assessed and paid prior to the filing
102 of the statement, the department of revenue shall refund the
103 fine upon notification from the political subdivision.

104 14. If a political subdivision has an outstanding
105 balance for fines or penalties at the time it files its
106 first annual financial statement after January 1, 2022, the
107 director of revenue shall make a one-time downward
108 adjustment to such outstanding balance in an amount that
109 reduces the outstanding balance by no less than ninety
110 percent.

111 15. The director of revenue shall have the authority
112 to make a one-time downward adjustment to any outstanding
113 penalty imposed under this section on a political
114 subdivision if the director determines the fine is
115 uncollectable. The director of revenue may prescribe rules
116 and regulations necessary to carry out the provisions of

117 this subsection. Any rule or portion of a rule, as that
118 term is defined in section 536.010, that is created under
119 the authority delegated in this section shall become
120 effective only if it complies with and is subject to all of
121 the provisions of chapter 536 and, if applicable, section
122 536.028. This section and chapter 536 are nonseverable, and
123 if any of the powers vested with the general assembly
124 pursuant to chapter 536 to review, to delay the effective
125 date, or to disapprove and annul a rule are subsequently
126 held unconstitutional, then the grant of rulemaking
127 authority and any rule proposed or adopted after August 28,
128 2021, shall be invalid and void.