

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.

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*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Section A. Section 105.145, RSMo, is repealed and one new  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.