

SECOND REGULAR SESSION

SENATE BILL NO. 789

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR DIXON.

Read 1st time January 28, 2014, and ordered printed.

TERRY L. SPIELER, Secretary.

4244S.011

AN ACT

To repeal section 29.235, RSMo, and to enact in lieu thereof one new section relating to the authority of the office of state auditor.

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

Section A. Section 29.235, RSMo, is repealed and one new section enacted
2 in lieu thereof, to be known as section 29.235, to read as follows:

29.235. 1. The auditor and the auditor's authorized agents are authorized
2 to:

3 (1) Examine all books, accounts, records, reports, vouchers of any state
4 agency or entity subject to audit, insofar as they are necessary to conduct an
5 audit under this chapter, provided that the auditor complies with state and
6 federal financial privacy requirements prior to accessing financial records
7 including provisions presented in chapter 408 and provided that the auditor or
8 other public entity reimburses the reasonable documentation and production costs
9 relating to compliance with examination by the auditor or auditor's authorized
10 agents that pertain to:

11 (a) Amounts received under a grant or contract from the federal
12 government or the state or its political subdivisions;

13 (b) Amounts received, disbursed, or otherwise handled on behalf of the
14 federal government or the state;

15 (2) Examine and inspect all property, equipment, and facilities in the
16 possession of any state agency, political subdivision, or quasi-governmental entity
17 that were furnished or otherwise provided through grant, contract, or any other
18 type of funding by the state of Missouri or the federal government; and

19 (3) Review state tax returns[, except such review shall be limited to

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

20 matters of official business, and the auditor's report shall not violate the
21 confidentiality provisions of tax laws. Notwithstanding confidentiality provisions
22 of tax laws to the contrary, the auditor may use or disclose information related
23 to overdue tax debts in support of the auditor's statutory mission] **only to the**
24 **extent permitted under section 32.057.**

25 2. All [contracts or] **grant** agreements entered into as a result of the
26 award of a grant **received** by state agencies or political subdivisions shall
27 include, as a necessary part, a clause describing the auditor's [access as provided
28 under this section] **authority to examine and inspect property,**
29 **equipment, and facilities purchased with funds from the grant that are**
30 **in possession of the recipient state agency or political subdivision.**

31 3. The auditor may obtain the services of certified public accountants,
32 qualified management consultants, or other professional persons and experts as
33 the auditor deems necessary or desirable to carry out the duties and functions
34 assigned under this chapter. Unless otherwise authorized by law, no state agency
35 shall enter into any contract for auditing services without consultation with, and
36 the prior written approval of, the auditor.

37 4. (1) Insofar as necessary to conduct an audit under this chapter, the
38 auditor or the auditor's authorized representatives shall have the power to
39 subpoena witnesses, to take testimony under oath, to cause the deposition of
40 witnesses residing within or without the state to be taken in a manner prescribed
41 by law, and to assemble records and documents, by subpoena or otherwise. The
42 subpoena power granted by this section shall be exercised only at the specific
43 written direction of the auditor or the auditor's chief deputy.

44 (2) If any person refuses to comply with a subpoena, the auditor shall seek
45 to enforce the subpoena before a court of competent jurisdiction to require the
46 attendance and testimony of witnesses and the production of books, papers,
47 correspondence, memoranda, contracts, agreements, and other records. Such
48 court may issue an order requiring such person to appear before the auditor or
49 officers designated by the auditor to produce records or to give testimony relating
50 to the matter under investigation or in question. Any failure to comply with such
51 order of the court may be punished by such court as contempt.

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