

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6008-01  
Bill No.: SB 933  
Subject: Museums; Merchandising Practices; State Auditor; Civil Procedure  
Type: Original  
Date: March 24, 2014

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Bill Summary: This proposal modifies provisions relating to the management and maintenance of museums.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Natural Resources** state that Missouri State Parks operates 87 state parks and historic sites. The department assumes for the purpose of this legislation that 52 of these sites would meet the definition of a museum and therefore be subject to an audit by the Missouri State Auditor's Office which under this legislation would have the authority to audit any museum.

The proposal would require museums to maintain a directory of items in its possession and to make this directory accessible to the general public including all documentation relating to the accession and origin of the item.

Missouri State Parks do not have current staffing to meet the requirements of this proposal and may request additional resources to meet these requirements. Fiscal impact is unknown at this time.

Section 184.116.1 of the proposed legislation authorizes a lender or claimant to bring civil action for damages for property injured or lost while on loan to the museum. It is unknown the number of instances where a civil action would be brought against a museum within the Missouri State Park system. Potential impact regarding litigation and liability is unknown.

**Oversight** will assume a negative unknown impact for fiscal note purposes to the Department of Natural Resources. Oversight also assumes that the requirements in this proposal may have to be completed by an outside vendor, rather than hiring additional staff for a short term period to be in compliance.

Officials from the **Office of State Courts Administrator** and **Office of the State Auditor** each assumed the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE FUND</b>			
<u>Costs - DNR</u>			
Additional staffing and/or liability costs to be in compliance with proposal.	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

Small business private museums could be fiscally impacted as a result of this proposal.

FISCAL DESCRIPTION

This proposal modifies provisions relating to the management and maintenance of museums.

STATE AUDITOR: The State Auditor will have the power to audit any museum in the same manner as an agency of the state. The State Auditor will have the duty to audit any museum district, subdistrict, or commission when he or she deems it necessary, proper, or expedient. The museum district must pay the costs of the audit. (Section 29.215)

CLAIMS AGAINST A MUSEUM: A lender or claimant may bring a civil action for damages for property injured or lost while on loan to a museum. Any party to an action may demand a jury trial. The court may grant relief, including a permanent or temporary injunction or a temporary restraining order, and may award actual and punitive damages, and may award court costs and reasonable attorney fees to the prevailing lender or claimant. This act changes the time in which an action for damages can be brought against a museum for injury to or loss of property to be two years from the date the museum gives the lender or claimant notice of the injury or loss or five years from the date that the injury or loss is capable of being ascertained by the lender or claimant, whichever occurs earlier. This act repeals a provision specifying that a museum is not

FISCAL DESCRIPTION (continued)

liable, in the absence of a court order, for returning property to the original lender even if a claimant other than the lender has filed a notice of intent to preserve an interest in property. In addition, these provisions cannot preempt or limit any other rights of action in law or equity that a lender of claimant may have against a museum. (Section 184.116 & 184.122)

**MUSEUM RECORDS:** Each museum must maintain a record for each item in its possession or collection for as long as such item is in the museum's possession and for at least twenty-five years thereafter. The records must include all documentation related to the accession and origin of the item. Museums must maintain a directory of information, as described in the act, that is accessible to the general public during regular business hours. (Section 184.119)

**MUSEUM DISTRICTS AND OFFICERS:** This act changes a defunct statutory reference to the non-existent chapter 296 to chapter 213 so that museum districts and their officers are subject to the Missouri Human Rights Law. (Section 184.384)

**MERCHANDISING PRACTICES:** This act modifies certain merchandising practice laws. Property and loans will be included in the definition of "merchandise." This act expands what is deemed to be an unlawful practice by including certain actions using deception or fraud that involve property, financial assistance or other things of value, including the promise or grant of any money or property of any kind or value. The terms "charitable organization" and "charitable purpose" are modified to include museum districts.

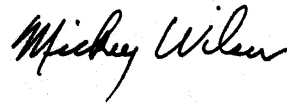
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

LO:LR:OD

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Office of the State Courts Administrator  
Office of the State Auditor  
Department of Natural Resources

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Mickey Wilson, CPA  
Director  
March 24, 2014

Ross Strobe  
Assistant Director  
March 24, 2014