

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4503H.01T
Bill No.: Truly Agreed To and Finally Passed HB 2111
Subject: Auditor, State; County Officials
Type: Original
Date: May 28, 2024

Bill Summary: This proposal modifies powers of the Missouri State Auditor.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri State Auditor, Missouri Office of Prosecution Services** and the **Department of Commerce and Insurance** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials from **Jackson County** assumed the proposal would not have a fiscal impact to their county.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other counties were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

ISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This bill defines "improper governmental activity," as official misconduct, fraud, misappropriation, mismanagement, waste of resources, or a violation of State or Federal law, rule, or regulation.

The bill specifies that the auditor or their authorized representative may audit all or part of any political subdivision or government entity if, after an investigation, the auditor believes improper governmental activity has occurred, or when requested to by a prosecuting attorney, circuit attorney, or law enforcement agency as part of an investigation.

This bill provides that testimony and records obtained through subpoenas issued by the auditor shall be subject to the same confidentiality and disclosure requirements for audit workpapers and related supportive material.

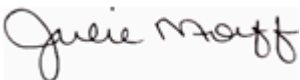
Currently, each fiscal year, the State Auditor must audit, adjust and settle all receipts and disbursements in the insurance dedicated fund and the insurance examiners' fund, and taxes certified and collected on foreign and domestic insurance premiums, surplus line premiums, and county taxes on property owned by insurance companies. This bill repeals the requirement to audit taxes certified and collected on foreign and domestic insurance premiums, surplus line premiums, and county taxes on property owned by insurance companies and requires that the results of audits of the Insurance Dedicated Fund and the Insurance Examiners' Fund shall be reported as part of the annual audit of the State's financial statements.

The bill adds records relating to reports of allegations of improper governmental activities to the list of records exempt from public disclosure.


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

Office of the State Auditor
Department of Commerce and Insurance
Missouri Office of Prosecution Services
Jackson County



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Director
May 28, 2024



Ross Strobe
Assistant Director
May 28, 2024