

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2138-01  
Bill No.: HB 1091  
Subject: Museums; State Auditor  
Type: Original  
Date: April 4, 2017

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Bill Summary: This proposal changes the laws regarding the management and maintenance of museums.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<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 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Office of the State Auditor** assume any fiscal impact of this proposal can be absorbed through current appropriations.

Officials from the **Department of Corrections, Department of Insurance, Financial Institutions and Professional Registration, Department of Economic Development, Department of Natural Resources, Office of the State Courts Administrator, Office of the State Treasurer, Office of Prosecution Services, Department of Agriculture and Office of the State Public Defender** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Attorney General's Office** did not respond to Oversight's request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill changes the laws regarding museums. In its main provisions, the bill:

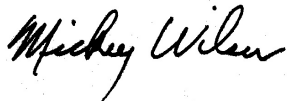
- (1) Authorizes the State Auditor to audit metropolitan museums in the same manner as auditing a state agency. Salaries of state auditors, examiners, and employees and expenses incurred during an audit will be paid by the museum district, subdistrict, and commission to be deposited into the Petition Audit Revolving Trust Fund;
- (2) Provides that cases of lost or damaged property on loan to a museum may be litigated in front of a jury. The court will have discretion in granting relief and may include permanent or temporary injunctions, temporary restraining orders, other orders, or awards to the lender or claimant in the form of actual or punitive damages. Court costs and attorney fees may also be awarded to the prevailing party;
- (3) Requires museums to maintain records for each item in its possession for as long as the item is in the museum's possession and for 25 years after. These records include all documentation related to the accession and origin of the item;
- (4) Requires museums to maintain a directory of the items in its possession accessible to the general public during regular business hours;
- (5) Revises the definition of "sale" by adding the modification or transfer of a prior sale or lease;
- (6) Revises the definition of "charitable organization" to include any museum as defined in Section 184.102, RSMo, and as it applies to charitable soliciting includes: soliciting property, financial assistance, or other things of value, including the promise or grant of any money or property; and
- (7) Revises the definition of "charitable purpose" to include any museum as defined in Section 184.102.

FISCAL DESCRIPTION (continued)

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 Secretary of State  
State Auditor's Office  
Department of Corrections  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Economic Development  
Office of the State Treasurer  
Office of the State Courts Administrator  
Office of Prosecution Services  
Office of the State Public Defender  
Department of Agriculture  
Department of Natural Resources



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April 4, 2017

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