

Bond Case Briefs

Municipal Finance Law Since 1971

FINANCIAL REPORTING - MISSOURI

City of Foley v. Director, Missouri Department of Revenue

Missouri Court of Appeals, Western District - October 18, 2022 - S.W.3d - 2022 WL 10199680

After state Department of Revenue fined city for filing a late financial report, city filed a declaratory judgment action against state Department of Revenue and State Auditor alleging that regulation governing annual financial reports of political subdivisions was unreasonable, arbitrary, capricious, and violative of due process provisions of constitutions of state and the United States.

The Circuit Court granted defendants' motions for judgment on the pleadings. City appealed.

The Court of Appeals held that:

- City failed to prove its claim that defendants' motions for judgment on the pleadings were essentially motions to dismiss for failure to state a claim;
- Trial court properly decided merits of well-pleaded declaratory relief action by judgment of dismissal;
- There was no declaration that trial court could make with regard to regulation that would change fact that filing requirement and penalty procedures were all statutory;
- Regulation did not exceed its statutory authority; and
- Trial court necessarily could not proclaim that regulation's six-month post fiscal year deadline imposed a mandatory fine on city without due process.