

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3894-01
Bill No.: HB 1138
Subject: Law Enforcement Officers and Agencies
Type: Original
Date: January 30, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government*	\$86,031	\$86,031	\$86,031

***The increase in employer contribution to the Kansas City Police Retirement system would be \$81,174(0.11%) annually. The increase in employer contribution to the Kansas City Civilian Employees' Retirement System would be \$4,857 (0.02%) annually.**

FISCAL ANALYSIS

ASSUMPTION

The **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5). However, provisions contained in this proposal will increase the Unfunded Actuarial Accrued Liabilities (UAAL) of the affected systems and result in an increase of annual employer contributions. The impact to the system can only be determined by an actuarial cost statement, however it is expected to be less than .25% of payroll.

Officials with the **Police Retirement System of Kansas City** assume for both the Police Retirement System of Kansas City, Missouri and the Civilian Employees' Retirement System of the Police Department of Kansas City, Missouri that an actuarial estimate of the impact of HB 1138 was completed in compliance with Section 105.660RSMo, even though the impact of HB 1138 does not increase the total contribution percentage by at least one quarter of one percent.

ASSUMPTION (continued)

For the Police Retirement System the actuaries assumed that at any one time, five members of the retirement system would be on military leave for a one-year period. To provide creditable service at no cost to the member would increase the computed employer contribution rate by 0.11% or \$81,174 in FY2007.

For the Civilian Employees' Retirement System the actuaries assumed that at any one time, one member of the retirement system would be on military leave for a one year period. To provide creditable service at no cost to the member would increase the computed employer contribution rate by 0.02% or \$4,857 in FY2007.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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\$0

\$0

\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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**KANSAS CITY POLICE AND
 CIVILIAN RETIREMENT SYSTEM**

<u>Cost</u> - Increased Contributions to Retirement Plans	<u>\$86,031</u>	<u>\$86,031</u>	<u>\$86,031</u>
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TOTAL ESTIMATED NET EFFECT ON KANSAS CITY POLICE AND CIVILIAN RETIREMENT SYSTEM*	<u>\$86,031</u>	<u>\$86,031</u>	<u>\$86,031</u>
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***The increase in employer contribution to the Kansas City Police Retirement system would be \$81,174(0.11%) annually. The increase in employer contribution to the Kansas City Civilian Employees' Retirement System would be \$4,857 (0.02%) annually.**

FISCAL IMPACT - Small Business

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

DESCRIPTION

This bill allows members of the Police Retirement System of Kansas City to receive service credit for time spent in military service during a war. Members are not required to pay member contributions for this service time.

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

Joint Committee on Public Employee Retirement
Kansas City Police Retirement System



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Director
January 30, 2006