

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4499-01  
Bill No.: HB 1729  
Subject: Law Enforcement Officers and Agencies; Retirement - Local government;  
Retirement Systems and Benefits - General  
Type: Original  
Date: March 27, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Total Estimated Net Effect on General Revenue Fund</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 2007</b>	<b>FY 2008</b>	<b>FY 2009</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.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Local Government</b>	<b>(Unknown) to \$2,110,779</b>	<b>(Unknown) to \$2,401,792</b>	<b>(Unknown) to \$2,429,254</b>

**\*This revenue estimate reflects a 50% collection rate and does not reflect exceptions to the surcharge included in the proposal. These "exceptions" include instances when" 1) Costs have been waived or paid by the state, county or municipality; or 2) A criminal proceeding has been dismissed.**

**\*\* Costs cannot exceed contributions**

### **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).

Officials from the **Department of Public Safety** and **Missouri Highway Patrol** assume no fiscal impact to their agency.

Officials from **Jasper County** assume no cost to counties but cost to constituents. Counties have no say so on dispersements.

Officials from **Hickory County** assume 100% fiscal impact on the county.

ASSUMPTION (continued)

Officials from **St. Louis County** assume revenue of \$39,118, September - December, 2006, \$117,354 in 2007 and \$117,354 in 2008.

Officials from the **Office of State Courts Administrator** assume this proposal would impose a \$7.00 surcharge in all criminal cases, including municipal and ordinance violations. This money is to be deposited into the "Law Enforcement Safety Fund," which is created in the proposal.

An estimated based on the departments assumption is as follows:

Their calculation also takes into account the fact that felony collection rates are only between 50% and 60%, and misdemeanor collection rates average 80%. This surcharge is assessed on misdemeanor and felony cases. Since these defendants often do not have steady employment or cash reserves, the court often gives the defendants the period of probation to pay the costs and fines. Therefore, the revenue generated the first year is less than that generated in subsequent years.

Exclude Fine Collection Center

Based on a 50% felony collection rate, their calculations indicate that the proposal will produce \$1,449,860 in the 1st 12 months, \$1,740,873 in the 2nd 12 months, \$1,768,335 in the 3rd 12 months, and \$1,795,798 annually thereafter. Based on a 60% felony collection rate, their calculations indicate that the proposal will produce \$1,455,353 in the 1st 12 months, \$1,751,858 in the 2nd 12 months, \$1,784,813 in the 3rd 12 months, and \$1,817,768 annually thereafter.

Include Fine Collection Center

Based on a 50% felony collection rate, their calculations indicate that the proposal will produce \$2,110,779 in the 1st 12 months, \$2,401,792 in the 2nd 12 months, \$2,429,254 in the 3rd 12 months, and \$2,456,717 annually thereafter. Based on a 60% felony collection rate, their calculations indicate that the proposal will produce \$2,116,272 in the 1st 12 months, \$2,412,777 in the 2nd 12 months, \$2,445,732 in the 3rd 12 months, and \$2,478,687 annually thereafter.

Officials from the **State Treasurer's Office** did not respond.

FISCAL IMPACT - State Government

FY 2007  
(10 Mo.)

FY 2008

FY 2009

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>(Unknown)</u>	<u>(Unknown) to</u>	<u>(Unknown) to</u>
<u>Revenue - Law Enforcement Safety Fund</u>	<u>\$2,110,779</u>	<u>\$2,401,792</u>	<u>\$2,429,254</u>

**\*This revenue estimate reflects a 50% collection rate and does not reflect exceptions to the surcharge included in the proposal. These "exceptions" include instances when: 1) Costs have been waived or paid by the state, county or municipality; or 2) A criminal proceeding has been dismissed.**

**\*\* Costs cannot exceed contributions.**

#### FISCAL IMPACT - Small Business

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

#### DESCRIPTION

This bill creates the Law Enforcement Safety Fund to be administered by a board of directors comprised of two chiefs of police who are members of the Missouri Police Chiefs Association, two full-time police officers who are members of a state fraternal order of police, a sheriff, a legislator on the Joint Committee on Retirement, and a member at large appointed by the board.

A surcharge of \$7 will be assessed in all criminal cases filed and will be deposited into the fund. Each person employed full-time as a marshal or chief of police, police officer, sheriff, or deputy sheriff, excluding sheriffs from St. Louis City, may become members of the contribution system. A member will receive the funds he or she contributes plus any interest or dividends accrued, minus maintenance fees.

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

VL:LR:OD (12/02)

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Joint Committee on Public Employee Retirement  
Department of Public Safety  
Missouri Highway Patrol  
Office of State Courts Administrator  
St. Louis County  
Hickory County  
Jasper County

NOT RESPONDING

State Treasurer's Office

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
March 27, 2006