

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3915-01
Bill No.: HB 1414
Subject: Ethics; Retirement - State; Retirement - Local Government; Insurance - Medical
Type: Original
Date: January 26, 2010

Bill Summary: Prohibits the receipt of any benefits provided to any elected or appointed official who is found guilty of or pleads guilty to a felony.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Agriculture, Office of Administration (COA) - Administrative Hearing Commission, COA - Division of Budget and Planning, Office of State Courts Administrator, Department of Corrections, Department of Economic Development, Department of Elementary and Secondary Education, Department of Higher Education, Department of Insurance, Financial Institutions, and Professional Registration, Department of Mental Health, Department of Natural Resources, Department of Health and Senior Services, Department of Labor and Industrial Relations, Department of Revenue, Department of Public Safety (DPS) - Division of Alcohol and Tobacco Control, DPS - Capitol Police, DPS - Director's Office, DPS - Division of Fire Safety, DPS - Missouri Gaming Commission, DPS - Missouri State Highway Patrol, DPS - State Emergency Management Agency, DPS - Missouri Veterans Commission, Office of the Governor, Missouri Consolidated Health Care Plan, Joint Committee on Administrative Rules, Missouri Department of Conservation, Missouri House of Representatives, Missouri Lottery, Missouri National Guard, Missouri Ethics Commission, Office of Prosecution Services, Office of State Auditor, Missouri Senate, Office of State Public Defender, Office of State Treasurer, Missouri State Tax Commission, City of Centralia, City of Kansas City, Cass County, St. Louis County, Little Blue Valley Sewer District, Boone County Sheriff's Department, Jefferson City Police Department, Parkway School District, Special School District, University of Central Missouri, Linn State Technical College, Lincoln University, Metropolitan Community College, Missouri Southern State University, Missouri Western State University, Truman State University, University of Missouri, Joint Committee on Public Employee Retirement, Kansas City Police Employees' Retirement Systems, County Employees' Retirement Fund, Missouri Local Government Employees Retirement System, Missouri Department of Transportation and Patrol Employees' Retirement Fund, Prosecutors and Circuit Attorney's Retirement System, and The Police Retirement System of St. Louis** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Attorney General (AGO)** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Missouri Department of Transportation (DOT)** state that while the department does not believe it has any employees who fall under the definition of appointed officials, there is no definition available. The DOT believes, however, that if its employees would fall under this definition, any cost savings would be very minimal.

ASSUMPTION (continued)

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS 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 SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **St. Louis County Justice Services** state the proposal would seem to have a limited impact on their organization.

Officials from **Missouri State University (MSU)** state no revenues will be affected unless the benefits not paid to the offender are returned to the original agency and there would be no savings, assuming that the offender would no longer work for MSU. Although MSU would not be paying any of the benefits for the offender, it would have to pay those benefits for the successor. No costs or losses are foreseen.

Officials from the **Missouri State Employees' Retirement System (MOS)** state currently there are a number of provisions that restrict retirement benefits based on felony convictions. As it relates to participation in the state's life insurance, long-term disability and deferred compensation plans, benefit eligibility currently ceases upon an employee's termination of employment. If this legislation were to become law, existing insurance contracts administered by MOS would need to be amended accordingly. However, this legislation would have no material fiscal impact on the programs administered by MOS.

Officials from the **Department of Social Services (DOS) - Division of Human Resources** state that without further definition of what benefits would be withheld, it is not possible to determine the potential costs or savings associated with this proposal. The fiscal impact is unknown.

Oversight assumes, because the possibility that an elected or appointed official would plead guilty, or be found guilty, of a felony is speculative and can't be foreseen with any certainty, that this proposal will have no fiscal impact on the state.

Officials from the **Department of Public Safety - Division of Water Safety and Office of Lieutenant Governor** did not respond to our request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<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

The proposed legislation appears to have no fiscal impact.

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 Attorney General
Department of Agriculture
Office of Administration -
 Administrative Hearing Commission
 Division of Budget and Planning
Office of State Courts Administrator
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education
Department of Insurance, Financial Institutions, and Professional Registration
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Health and Senior Services
Department of Labor and Industrial Relations
Department of Revenue

HWC:LR:OD

SOURCES (continued)

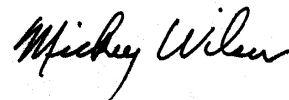
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Division of Alcohol and Tobacco Control
 Capitol Police
 Director's Office
 Division of Fire Safety
 Missouri Gaming Commission
 Missouri State Highway Patrol
 State Emergency Management Agency
 Missouri Veterans Commission
Office of the Governor
Missouri Consolidated Health Care Plan
Joint Committee on Administrative Rules
Missouri Department of Conservation
Missouri Lottery
Missouri Ethics Commission
Missouri National Guard
Missouri State Employees' Retirement System
Missouri House of Representatives
Office of Prosecution Services
Office of State Auditor
Missouri Senate
Office of Secretary of State
Office of State Public Defender
Office of State Treasurer
Missouri State Tax Commission
City of Centralia
City of Kansas City
Cass County
St. Louis County
St. Louis County Justice Services
Little Blue Valley Sewer District
Boone County Sheriff's Department
Jefferson City Police Department
Parkway School District
Special School District
University of Central Missouri

HWC:LR:OD

SOURCES (continued)

Linn State Technical College
Lincoln University
Metropolitan Community College
Missouri State University
Missouri Southern State University
Missouri Western State University
Truman State University
University of Missouri
Joint Committee on Public Employee Retirement
Kansas City Police Employees' Retirement System
Missouri County Employees' Retirement Fund
Missouri Local Government Employees' Retirement System
Missouri Department of Transportation and Patrol Employees' Retirement System
Prosecutors and Circuit Attorney's Retirement System
Police Retirement System of St. Louis

NOT RESPONDING: Department of Public Safety - Division of Water Safety and Office of Lieutenant Governor



Mickey Wilson, CPA
Director
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