

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3703S.06C
Bill No.: SCS for HCS for HB 1606
Subject: Counties; County Government; County Officials; Political Subdivisions; Taxation
and Revenue - Property; Public Officers; Salaries
Type: Original
Date: April 21, 2022

Bill Summary: This proposal modifies provisions relating to county officials.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Local Government	(Unknown, could exceed \$2,389,846)	(Unknown, could exceed \$3,353,692)	(Unknown, could exceed \$3,353,692)

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

§§50.327 & 58.095 – Compensation for County Coroners and Salary Schedules for 3rd Class Counties

In response to similar legislation from this year, SB 1128, officials from various counties did not respond to **Oversight's** request for fiscal impact regarding this proposal.

Oversight assumes §§50.327 & 58.095 state the county commission is responsible for determining the salary for the county coroner in non-charter counties. Section 58.095 contains the base schedule of salaries as determined by the assessed valuation of the county. Section 50.327 adds an additional salary increase of up to \$14,000 on top of the base schedule if approved by the county commission. Oversight is unclear of how much each county coroner receives in salary. However, there are 109 non-charter counties that could be considered for the additional funds in section 58.095 (if approved by the appropriate county commission). Oversight assumes if all of these counties approved the \$14,000 increase, this could be up to \$1,526,000 in increased salaries for coroners. However, Oversight assumes no increase coroner's salaries would take place without the approval by the county commission. Therefore, Oversight will assume a cost of \$0 (no salary increases) or up to \$1,526,000 (salary increases approved in every non-charter county) for coroners for this proposal.

Oversight also notes in similar legislation from this year, SB 704, §50.327.4 relates to the following 3rd class counties and their assessed valuations as of the 2020 census that are greater than the three hundred million dollars:

	County	2020
	<u>Classification</u>	<u>Assessed Valuation</u>
Adair	3	415,860,739
Andrew	3	309,826,694
Audrain	3	416,179,373
Barry	3	578,441,026
Benton	3	307,087,967
Butler	3	667,507,793
Clinton	3	353,505,104
Crawford	3	368,867,929
Dunklin	3	314,994,430
Henry	3	435,915,841
Howell	3	534,978,779
Laclede	3	490,308,053
Lawrence	3	546,241,819
Marion	3	519,654,554
McDonald	3	315,078,544
Miller	3	492,134,546
Morgan	3	572,600,385
New Madrid	3	455,255,626
Nodaway	3	399,126,552
Perry	3	404,312,108
Phelps	3	687,863,962
Pike	3	307,484,509
Polk	3	397,316,316
Pulaski	3	553,132,765
Randolph	3	526,364,813
Ray	3	393,522,956
Scott	3	536,493,885
Ste. Genevieve	3	891,214,089
Stoddard	3	522,288,378
Stone	3	749,458,097
Warren	3	674,203,668
Webster	3	508,888,557

Oversight notes the proposal does not specify how the base schedules should be amended for the computation of salaries for 3rd class county positions. Currently, the base salary for each of the positions in this section are as follows:

		Base Salary at \$300,000,000
Section		Assessed Valuation
49.082	County Commissioners	\$ 29,700
50.334	Recorder of Deeds	\$ 45,000
51.281	County Clerks	\$ 45,000
51.282	County Clerk (Clay)	\$ 34,500
52.269	County Collectors	\$ 45,000
53.082	Assessors	\$ 45,000
53.083	Assessor (Clay)	N/A
54.261	Treasurers	\$ 45,000
54.320	Collector/Treasurer (Townships)	\$ 45,000
55.091	Auditor	\$ 45,000
56.265	Prosecuting Attorneys	\$ 55,000
58.095	Coroners	\$ 16,000
473.742	Public Administrators	\$ 45,000

Therefore, **Oversight** will also assume a \$0 (no adjustment to salaries) or unknown additional costs to 3rd class county salaries for this section of the proposal.

§§50.815 & 50.820 – County Financial Statements

In response to similar legislation from 2020, HB 1814, officials at **Henry County** assumed a savings of \$1,800 annually in publication costs from this proposal.

Oversight inquired with Henry County regarding this proposal. The County currently submits a 14 page document to the newspaper which lists out every dollar by vendor. Since this proposal requires a summary of data to be published in the newspaper, Henry County’s publishing costs would be reduced as the number of pages would be reduced that would be submitted to the newspaper.

In response to similar legislation from 2020, HB 1814, officials at **Lincoln County** assumed a savings of \$2,000 annually in publication costs from this proposal.

In response to similar legislation from 2020, HB 1814, officials at **Livingston County** assumed a savings of \$2,500 annually in publication costs from this proposal.

Officials from the Clay County Auditor’s Office assume this proposal will increase expenses by \$161 to publish more information in the newspaper based on recent costs for publications.

Oversight assumes the Clay County Auditor’s Office is provided with core funding to handle a certain amount of activity each year. Oversight assumes the Clay County Auditor’s Office could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, the Auditor’s Office could request funding through the appropriation process.

Oversight assumes using the counties above as an example, if the average savings of the three counties publication costs is \$2,100 and 96 counties (2nd, 3rd and 4th class counties) in Missouri published their financials in the newspaper, the potential savings could be up to \$201,600 (\$2,100 * 96) per year. Therefore, Oversight will reflect a potential savings in publication costs for counties to post their financials through a newspaper of general circulation in their county that could exceed \$100,000 annually from this proposal.

In response to similar legislation from this year, SB 845, officials from **Boone County** and **Greene County** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

§55.160 – Positions of County Auditors

In response to similar legislation from this year, SB 889, officials from the **Office of the State Courts Administrator** and the **Christian County Auditor's Office** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

§473.742 – Salaries of Public Administrators

In response to similar legislation from this year, SB 1088, officials from **Clinton County** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

In response to similar legislation from this year, HCS for HB 2450, officials from the Public Administrator's Office for the **City of St. Louis** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Oversight notes each county has a public administrator, including the City of St. Louis. Oversight also notes that, currently, an incoming public administrator may elect to receive a salary or receive fees as may be allowed by law. Under terms of this proposal every public administrator beginning a first term on or after January 1, 2023, shall be deemed to have elected to receive a salary as provided in this section. Oversight assumes this proposal would potentially increase the salaries in 2nd, 3rd and 4th class counties based on assessed valuation. Oversight took the highest salary cap at 39 letters opened of \$25,000 and calculated the difference in salary that would be increased based on the assessed valuation in the chart below. Using the Total Assessed Valuation by County in the 76th Annual Report from the State Tax Commission, Oversight also organized the 2nd, 3rd, and 4th class counties into salary classifications based on the assessed valuation. From this chart, Oversight assumes there could be salary increases collectively

exceeding \$1,721,000. Adding additional payroll taxes and workers' compensation would yield a potential cost that could exceed \$1,927,692 and Oversight will reflect this amount in the fiscal note for this proposal.

<u>Assessed Valuation</u>	<u>County Class</u>	<u>Number of Counties*</u>	<u>Highest Salary</u>	<u>Assessed Salary</u>	<u>Difference in Salary</u>	<u>Potential Adjusted Salary</u>
\$8,000,000 to \$40,999,999	3	1	\$25,000	\$ 29,000	\$ 4,000	\$ 4,000
\$41,000,000 to \$53,999,999	0	0	\$25,000	\$ 30,000	\$ 5,000	\$ -
\$54,000,000 to \$65,999,999	0	0	\$25,000	\$ 32,000	\$ 7,000	\$ -
\$66,000,000 to \$85,999,999	3	2	\$25,000	\$ 34,000	\$ 9,000	\$ 18,000
\$86,000,000 to \$99,999,999	3	2	\$25,000	\$ 36,000	\$ 11,000	\$ 22,000
\$100,000,000 to \$130,999,999	3	10	\$25,000	\$ 38,000	\$ 13,000	\$ 130,000
\$131,000,000 to \$159,999,999	3	13	\$25,000	\$ 40,000	\$ 15,000	\$ 195,000
\$160,000,000 to \$189,999,999	3	8	\$25,000	\$ 41,000	\$ 16,000	\$ 128,000
\$190,000,000 to \$249,999,999	3	12	\$25,000	\$ 41,500	\$ 16,500	\$ 198,000
\$250,000,000 to \$299,999,999	3	9	\$25,000	\$ 43,000	\$ 18,000	\$ 162,000
\$300,000,000 to \$449,999,999	3, 4	15	\$25,000	\$ 45,000	\$ 20,000	\$ 300,000
\$450,000,000 to \$599,999,999	3, 4	14	\$25,000	\$ 47,000	\$ 22,000	\$ 308,000
\$600,000,000 to \$749,999,999	3, 4	6	\$25,000	\$ 49,000	\$ 24,000	\$ 144,000
\$750,000,000 to \$899,999,999	3	1	\$25,000	\$ 51,000	\$ 26,000	\$ 26,000
\$900,000,000 to \$1,049,999,999	2	2	\$25,000	\$ 53,000	\$ 28,000	\$ 56,000
\$1,050,000,000 to \$1,199,999,999	2	1	\$25,000	\$ 55,000	\$ 30,000	\$ 30,000
\$1,200,000,000 to \$1,349,999,999	0	0	\$25,000	\$ 57,000	\$ 32,000	\$ -
\$1,350,000,000 and over	0	0	\$25,000	\$ 59,000	\$ 34,000	\$ -
		96				\$ 1,721,000
				Payroll taxes	7.65%	\$ 131,657
				Work Comp	4.36%	\$ 75,036
				Grand Total		\$ 1,927,692

*Number of Counties were based off of the Total Assessed Valuation by County in the 76th Annual Report from the State Tax Commission

Bill as a Whole

Officials from the **Department of Commerce and Insurance**, the **Office of the State Auditor**, the **Department of Economic Development**, the **Department of Social Services** and the **State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Phelps County Sheriff's Department** assume the proposal will have no fiscal impact on their organization.

Oversight does not have any information to the contrary in §58.200. Should the sheriff's position become vacant and the county coroner becomes acting sheriff until the position is filled, the salary of the coroner should be increased by the difference between the sheriff's salary and the coroner's salary. Oversight assumes this would occur on an infrequent basis and would have

a minimal fiscal impact on counties. Therefore, Oversight will reflect a zero impact in the fiscal note for this section.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities, counties, county recorders, auditors, collectors, treasurers, public administrators and sheriffs were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
COUNTY FUNDS			
<u>Savings</u> – in publication costs on financials posted in a newspaper of general circulation (§§50.815 & 50.820)	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Cost</u> – potential salary increases for county coroners (§§50.327 & 58.095)	\$0 or up to (\$1,526,000)	\$0 or up to (\$1,526,000)	\$0 or up to (\$1,526,000)
<u>Costs</u> – adjustment on base schedules for county officials (§50.327.4)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> – Potential salary increases for public administrators (§473.742)	\$0 to (Could exceed \$963,846)	\$0 to (Could exceed \$1,927,692)	\$0 to (Could exceed \$1,927,692)
ESTIMATED NET EFFECT ON COUNTY FUNDS	(Unknown, could exceed \$2,389,846)	(Unknown, could exceed \$3,353,692)	(Unknown, could exceed \$3,353,692)

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

§§50.327 & 58.095 – Compensation for County Coroners

Under current law, the salary schedule for a county coroner in a non-charter county is set as a base schedule by the salary commission. This act excludes the county coroner from the base schedule set by the salary commission and provides that the salary of a coroner in a non-charter county shall be set as a base schedule as provided by law subject to an increase up to \$14,000 greater upon the majority approval of the county commission. Additionally, the annual compensation of the coroner shall not be less than the annual compensation of the preceding year except upon a 2/3 vote of all the members of the county commission.

Finally, this act repeals provisions relating to percentages of the maximum allowable salaries for non-charter county coroners and also repeals provisions relating to additional compensation for a county coroner when performing certain services.

§50.327.4 – Salary compensation for 3rd Class Counties

This act provides that the salary commission of any third class county may amend the base salary schedules as provided by law for the computation of salaries for county officials to include assessed valuation factors in excess of \$300 million dollars; provided that the percentage of any adjustments shall be equal for all county officials in that county.

§§50.815 & 50.820 – County Financial Statements

This bill requires all non-charter counties, by June thirtieth of each year, to prepare and publish in a qualified newspaper a financial statement for the previous year. The financial statement shall include the name, office, and current gross annual salary of each elected or appointed county official whose salary is set by the County Salary Commission.

The county clerk or other officer responsible for the preparation of the financial statement must preserve the documents relied upon in the making of the financial statements and shall provide an electronic copy free of charge to any newspaper requesting a copy of the data. Currently, these requirements only apply to counties of the first classification.

§473.742 – Salaries of Public Administrators

Currently, if a public administrator of a second, third, or fourth class county or of the City of St. Louis elects to be placed on salary, the salary is determined by a schedule based on the average number of open letters in the two years preceding the term in which the salary is elected. This act provides that every public administrator who begins his or her term on or after January 1, 2023, shall be deemed to have elected to receive such salary. This act also provides that a letter of guardianship and a letter of conservatorship shall be counted as separate letters. Additionally, it shall be two letters if the public administrator is appointed by the court as both a guardian and a conservator to the same ward or protectee.

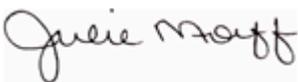
Furthermore, this act provides that upon majority approval by the salary commission, a public administrator may be paid according to the assessed valuation schedule set forth in the act. If the

salary commission elects to pay a public administrator according to the assessed valuation schedule, the salary commission shall not elect to change at any future time to pay the public administrator according to the average number of open letters in lieu of paying them according to the assessed valuation schedule.

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 State Auditor
Boone County
Greene County
Henry County
Lincoln County
Livingston County
Office of the State Courts Administrator
Department of Commerce and Insurance
Christian County Auditor's Office
Clinton County
City of St. Louis
Department of Economic Development
Department of Social Services
State Tax Commission
Phelps County Sheriff's Department



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