

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1713H.03P  
 Bill No.: Perfected HCS for HB Nos. 702, 53, 213, 216, 306 & 359  
 Subject: Law Enforcement Officers and Agencies; Saint Louis City  
 Type: Original  
 Date: March 2, 2023

Bill Summary: This proposal modifies provisions relating to the operation of certain law enforcement agencies.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue*	\$0 to Unknown	(Unknown) to Unknown	(Unknown) to Unknown
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 to Unknown</b>	<b>(Unknown) to Unknown</b>	<b>(Unknown) to Unknown</b>

\***Oversight** notes the provisions of this proposal state the Office of Administration shall reimburse from the State Legal Expense Fund any board of police commissioners established under Chapter 84 for liability claims eligible for payment under §105.711 paid by such boards on an equal share basis per claim up to the current law maximum of \$1,000,000 per fiscal year.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Other State Funds	\$0 to Unknown	(Unknown) to Unknown	(Unknown) to Unknown
State Legal Expense Fund*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 to Unknown</b>	<b>(Unknown) to Unknown</b>	<b>(Unknown) to Unknown</b>

\*Cost avoidance and reduction in contributions net to zero.

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Local Government</b>	<b>\$0 to (Unknown)</b>	<b>(Unknown) to Unknown</b>	<b>(Unknown) to Unknown</b>

## FISCAL ANALYSIS

### ASSUMPTION

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

§§84.012, 84.020, 84.030, 84.100, 84.150, 84.160, 84.170, 84.225, 84.325, and 105.726 – Board of Police Commissioners

In response to similar legislation from this year, HB 216, officials from the **Office of Administration (OA)** stated section 105.726.3 adds the provision that reimbursement from the Legal Expense Fund (LEF) is on an equal share basis per claim up to a maximum of one million dollars per fiscal year. This change has the potential to avoid costs to the LEF. The maximum amount to be reimbursed remains unchanged with this legislation. The number of successful claims is unknown; therefore, the potential cost avoidance is also unknown.

**Oversight** does not have any information contrary to that provided by OA. Therefore, Oversight will reflect OA's potential unknown impact to the State Legal Expense Fund. Oversight notes the Legal Expense Fund is funded by the General Revenue Fund as well as other state funds. Oversight notes this possible litigation exposure as described by OA could also apply to local political subdivisions.

**Oversight** also assumes if the state takes control of the St Louis Police Department, it will be exposed to additional LEF claims in the future. Oversight will reflect a potential unknown loss of funds starting in FY 2025.

**Oversight** notes §84.325.1 states on August 28, 2023, the Board of Police Commissioners shall assume control of any municipal police force established in any city not within a county, which, at this time, is only St. Louis City. Upon such assumption, any municipal police force within St. Louis City shall transfer to the Board title and ownership of all debts and assets, and the state shall accept responsibility, ownership, and liability as successor-in-interest for contractual obligations, debts, and other lawful obligations of the municipal police forces established in St. Louis City.

In response to similar legislation from this year, HB 216, officials from the **Office of Administration - Budget and Planning (B&P)** stated this proposal transfers certain assets, contractual obligations, indebtedness, and other lawful obligations from the St. Louis Police Department to the state. This could include any funds held by the city in the name of, for the benefit of, or for future contribution to any police pension system created under chapter 86. B&P

does not have any information on what, if any, assets or obligations might be transferred. The state could risk picking up significant debt obligations.

Officials from the **Office of the Secretary of State (SOS)** noted many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and 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 office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost 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 **Joint Committee on Administrative Rules** and the **Department of Labor and Industrial Relations** each assume the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, the St. Louis Police Department and the City of St. Louis were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

#### House Amendment 1

**Oversight** assumes this amendment makes technical changes to the bill and will have no fiscal impact.

#### House Amendment 2 – Whistleblower’s Protection Act (§285.575)

In response to similar legislation from this year, HB 1025, officials from the **City of Kansas City** assume this proposal could have a negative impact on the city in an indeterminate amount.

**Oversight** assumes this amendment expands the term “Employer” to include law enforcement agencies. Oversight assumes this will have no fiscal impact.

In response to similar legislation from this year, HB 1025, officials from the **Department of Labor and Industrial Relations**, the **Capitol Police**, the **City of Springfield**, the **Kansas City Police Department**, the **St. Joseph Police Department** and the **St. Louis County Police Department** 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.

House Amendment 3 as amended– Chief of Police Training Course (§590.033)

**Oversight** assumes the POST commission within the **Department of Public Safety (DPS)** is provided with core funding to handle a certain amount of activity each year. Oversight assumes DPS could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DPS could request funding through the appropriation process. **Oversight** notes the POST Fund (0281) has a current balance of \$393,162.53 as of February 28, 2023.

House Amendment 4 – State Auditor’s Report on Criminal Activity for St. Louis City (§84.325)

**Oversight** assumes this amendment will require the State Auditor’s Office (SAO) to develop a report on the criminal activity for the City of St. Louis once the board assumes control of the St. Louis Metropolitan Police Department. Oversight assumes the SAO can complete the required reports with existing resources and assumes no fiscal impact from this amendment.

House Amendment 5 as amended – Police salaries (§84.160)

**Oversight** assumes this amendment gives the board of police commissioners the authority to compute and establish annual salary for each member of the police force without receiving prior authorization from the general assembly and increases the annual salary paid from \$4,000 to \$7,000 as of July 1, 2024. Oversight assumes no fiscal impact from this amendment.

Bill as a Whole as Amended

Officials from the **Attorney General’s Office**, the **Department of Natural Resources**, the **Phelps County Sheriff’s Office**, the **Branson Police Department** and the **Department of Public Safety (Office of the Director & Missouri Highway Patrol)** 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.

<u>FISCAL IMPACT – State Government</u>	FY 2024	FY 2025	FY 2026
<b>GENERAL REVENUE</b>			
<u>Cost Avoidance</u> – OA (§105.726) Reduction in the amount of claims paid (equal share basis compared to current law) p.3	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Costs</u> – Exposure to potential additional LEF claims by retaking control of SLPD p.3	\$0	\$0 to (Unknown)	\$0 to (Unknown)
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>\$0 to Unknown</u></b>	<b><u>(Unknown) to Unknown</u></b>	<b><u>(Unknown) to Unknown</u></b>
<b>OTHER STATE FUNDS</b>			
<u>Cost Avoidance</u> – OA (§105.726) Reduction in the amount of claims paid (equal share basis compared to current law) p. 3	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Costs</u> – exposure to potential additional LEF claims by taking control of SLPD	\$0	\$0 to (Unknown)	\$0 to (Unknown)
<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>	<b><u>\$0 to Unknown</u></b>	<b><u>(Unknown) to Unknown</u></b>	<b><u>(Unknown) to Unknown</u></b>
<b>STATE LEGAL EXPENSE FUND (0692)</b>			
<u>Transfer In</u> - for possible additional LEF claims	\$0	\$0 to Unknown	\$0 to Unknown
<u>Cost Avoidance</u> – OA (§105.726) Reduction in the amount of claims paid (equal share basis compared to current law) p. 3	\$0	\$0 to Unknown	\$0 to Unknown

<u>Costs</u> – exposure to potential additional LEF claims by taking control of SLPD	\$0	\$0 to (Unknown)	\$0 to (Unknown)
<u>Loss</u> - (§105.726) Reduction in the amount of funds received by the LEF from other state funds p. 3	\$0	\$0 to (Unknown)	\$0 to (Unknown)
<b>ESTIMATED NET EFFECT ON THE STATE LEGAL EXPENSE FUND</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>ST. LOUIS CITY</b>			
<u>Cost Avoidance</u> – (§105.726) If the state assumes responsibility of LEF claims – instead of St. Louis p. 3	\$0	\$0 to Unknown	\$0 to Unknown
<u>Cost</u> – (§105.726) Reduction in the amount of claims paid (equal share basis compared to current law) p. 3	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>ESTIMATED NET EFFECT ON ST. LOUIS CITY</b>	<b>\$0 to (Unknown)</b>	<b>(Unknown) to Unknown</b>	<b>(Unknown) to Unknown</b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill specifies that when the city of St. Louis passes ordinances, no ordinances can in any manner, conflict or interfere with the powers of the Board of Police Commissioners. Additionally, the mayor or any city officer shall not impede or hinder the Board of Police Commissioners or they shall be liable for a penalty of \$1,000 for each and every offense to hinder the Board and will forever be disqualified from holding or exercising any office of the city.

On August 28, 2023, the Board shall assume control of the municipal police department of St. Louis and, no later than September 28, 2023, the Governor must appoint four commissioners to the Board who shall serve together with the mayor. The municipal police department will

transfer title and ownership of all indebtedness and assets and accept liability as successor-in-interest for contractual obligation of the police department.

The Board shall initially employ, without reduction in rank, salary, or benefits, all commissioned and civilian personnel of the municipal police department. The Board is required to appoint and employ a permanent police force consisting of not less than 1,313 patrolmen. The Board may continue to employ as many noncommissioned police civilians as it deems necessary in order to perform the duties imposed on them, which will include city marshals and park rangers. The Board will grant every member of the police force a certain number of paid vacation days based on how long each member has served as provided in the bill.

No further appointments to the rank of major will be made, but all members of the force now holding the rank of major shall continue in that rank until their promotion, demotion, removal, resignation, or other separation from the force. The salaries paid as of August 28, 2023, shall not be less than the annual salaries paid to each member before the enactment of this bill and annual salaries shall increase by no less than \$4,000 by July 1, 2024. No additional compensation shall be given to any officer of the rank of lieutenant or above for overtime, court time, or stand-by court time. Probationary patrolmen, patrolmen, and sergeants must receive compensation for all hours of service in excess of the established regular working period, for all authorized overtime, and for employees who complete academic work at an accredited college or university up to a certain amount as provided in the bill. Additionally, certain officers may receive up to 10% of their salary in additional compensation for hours worked between 11 p.m. and 7 a.m.

This bill provides that, until the Board adopts other investigative and disciplinary procedures, the police force shall follow the disciplinary and investigative procedures established by the Police Manual of the St. Louis Metropolitan Police Department that are consistent with law. The Board will not adopt any disciplinary procedures that do not include the summary hearing Board procedures provided for currently in the Police Manual. This bill provides that reimbursements from the Legal Expense Fund to the Board for liability claims must be on a 21 equal share basis per claim up to a maximum of \$1 million per fiscal year.

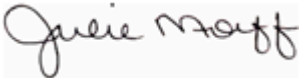
This bill repeals all provisions relating to the Municipal Police Force established by the city of St. Louis.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

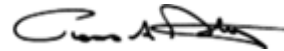


SOURCES OF INFORMATION

Attorney General's Office  
Department of Public Safety  
    Office of the Director  
        Missouri Highway Patrol  
Department of Natural Resources  
Department of Labor and Industrial Relations  
Office of Administration  
Office of Administration - Budget and Planning  
Joint Committee on Administrative Rules  
Office of the Secretary of State  
Capitol Police  
City of Springfield  
Phelps County Sheriff's Office  
Kansas City Police Department  
St. Joseph Police Department  
St. Louis County Police Department  
Kansas City  
Branson Police Department



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