

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3986H.011
 Bill No.: HJR 92
 Subject: Law Enforcement Officers and Agencies
 Type: Original
 Date: January 22, 2024

Bill Summary: This resolution proposes a constitutional amendment to preserve the funding of certain criminal justice personnel for the administration of justice.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue*	\$0 or (More than \$8,000,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	\$0 or (More than \$8,000,000)	\$0	\$0

*The potential fiscal impact of “(More than \$8,000,000)” would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Local Government	\$0*	\$0 or Unknown	\$0 or Unknown

*Transfer out and transfer in net to zero **if** the Governor calls a special election.

FISCAL ANALYSIS

ASSUMPTION

Officials from **Office of the Secretary of State (SOS)** assume, each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, Joint Resolutions proposing a constitutional amendment are submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a Joint Resolution to a vote of the people, section 115.063.2 RSMo requires the state to pay the costs. The cost of the special election has been estimated to be \$8 million based on the cost of the 2022 primary and general election reimbursements.

The Secretary of State's office is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

For the FY25 petitions cycle, the SOS estimates publication costs at \$60,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

The Secretary of State's office will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, the SOS reserves the right to request funding to meet the cost of the publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

Oversight has reflected, in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2025. This reflects the decision made by the Joint Committee on Legislative Research that the cost of the elections should be shown in the fiscal note. The next scheduled statewide general election is in November 2024 (FY 2025). It is assumed the subject within this proposal could be on this ballot; however, it could also be on a special election called for by the Governor (a different date). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2025.

Officials from **Joint Committee on Public Employee Retirement (JCPER)** state they have reviewed the proposal. The bill has no direct fiscal impact to the Joint Committee on Public Employee Retirement.

According to actuarial information provided by the retirement system, this proposal would constitute a “substantial proposed change” in future plan benefits as defined in section 105.660(10). Pursuant to section 105.670, an actuarial cost statement must be filed with the Chief Clerk of the House of Representatives, the Secretary of the Senate, and the Joint Committee on Public Employee Retirement as public information for at least five legislative days prior to final passage.

Oversight notes according to the 2023 Annual Report to the General Assembly by the Joint Committee on Public Employee Retirement, the Sheriffs’ Retirement System had the following activity:

Employer contributions:	\$973,559
Market Value (2021)	\$53,526,623
Actuarial Value (2021)	\$50,537,005
Liabilities (2021)	\$46,965,919

Officials from the **Sheriffs’ Retirement System** state the impact is unknown at this time. If the constitutional amendment passes, it would restore the court fine collection in current statute for the MO Sheriffs' Retirement System.

Officials from **Office of the State Courts Administrator (OSCA)** state there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Oversight requested additional information from OSCA but did not receive a response by the time this fiscal note was completed.

Oversight will not show an impact to OSCA for this proposal.

Officials from the **Missouri Office of Prosecution Services** assume the proposal will have no fiscal impact on their organization.

Officials from the **Prosecuting Attorneys’ & Circuit Attorneys’ Retirement System** did not respond to **Oversight’s** request for fiscal impact for this proposal.

Oversight notes, based on an [article in Forbes](#), the court fees accounted for approximately \$2.1 million annually for the Sheriffs’ Retirement System.

Oversight assumes if the court fine collection is restored by this resolution, this would result in savings to local political subdivision from reduced employer contributions beginning in FY 2026.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE			
<u>Transfer Out</u> - SOS - reimbursement of local election authority election costs if a special election is called by the Governor	\$0 or (More than <u>\$8,000,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (More than <u>\$8,000,000</u>)	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> – Sheriffs - from reduced employer contributions for the Missouri Sheriffs’ Retirement System if funding through court costs is restored	\$0	\$0 or Unknown	\$0 or Unknown
<u>Transfer In</u> - Local Election Authorities - reimbursement of election costs by the State for a special election	\$0 or More than <u>\$8,000,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Costs</u> - Local Election Authorities - cost of a special election if called for by the Governor	\$0 or (More than <u>\$8,000,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

FISCAL IMPACT – Small Business

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

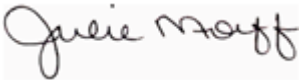
FISCAL DESCRIPTION

This Constitutional amendment would, upon voter approval, authorize the levying of costs and fees to support salaries and benefits for law enforcement personnel, including sheriffs and former sheriffs, prosecuting attorneys and former prosecuting attorneys, and circuit attorneys and former circuit attorneys.

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 Secretary of State
Joint Committee on Public Employee Retirement
Office of the State Courts Administrator
Missouri Office of Prosecution Services
Sheriffs' Retirement System



Julie Morff
Director
January 22, 2024



Ross Strobe
Assistant Director
January 22, 2024