

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5392H.011
Bill No.: HB 2588
Subject: Political Subdivisions; County Officials; Counties; Taxation and Revenue -
Property
Type: Original
Date: February 11, 2024

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

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2025 | FY 2026 | FY 2027 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$0 | \$0 |

| 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 | (Unknown, could exceed \$3,197,283) | (Unknown, could exceed \$3,531,539) | (Unknown, could exceed \$3,531,539) |

FISCAL ANALYSIS

ASSUMPTION

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

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 §50.327.4 relates to the following 3rd class counties and their assessed valuations as of the 2023 tax year that are greater than the three hundred million dollars:

| | County | 2023 |
|----------------|----------------|--------------------|
| | Classification | Assessed Valuation |
| Adair | 3 | 430,848,859 |
| Andrew | 3 | 339,770,981 |
| Audrain | 3 | 469,417,268 |
| Barry | 3 | 647,404,235 |
| Benton | 3 | 358,900,749 |
| Butler | 3 | 754,673,711 |
| Clinton | 3 | 393,171,330 |
| Cooper | 3 | 323,118,781 |
| Crawford | 3 | 389,033,489 |
| Dunklin | 3 | 338,242,680 |
| Henry | 3 | 503,243,895 |
| Howell | 3 | 596,934,551 |
| Laclede | 3 | 541,690,914 |
| Lawrence | 3 | 619,508,496 |
| Marion | 3 | 560,698,298 |
| McDonald | 3 | 330,042,191 |
| Miller | 3 | 540,605,203 |
| Morgan | 3 | 616,547,314 |
| New Madrid | 3 | 500,801,647 |
| Nodaway | 3 | 433,445,925 |
| Perry | 3 | 446,985,233 |
| Phelps | 3 | 739,087,980 |
| Pike | 3 | 361,352,206 |
| Polk | 3 | 451,741,017 |
| Pulaski | 3 | 594,635,413 |
| Randolph | 3 | 569,115,893 |
| Ray | 3 | 446,169,890 |
| Scott | 3 | 592,176,131 |
| Ste. Genevieve | 3 | 979,919,236 |
| Stoddard | 3 | 610,422,073 |
| Stone | 3 | 846,550,738 |
| Texas | 3 | 312,859,406 |
| Vernon | 3 | 312,160,164 |
| Warren | 3 | 778,812,601 |
| Washington | 3 | 323,351,401 |
| Webster | 3 | 584,282,278 |

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 |
|----------------|---------------------------------|---------------------------------|
| <u>Section</u> | | <u>Assessed Valuation</u> |
| 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.

§57.317 – Sheriff Salaries – Boone County

Oversight notes county commissions were asked to respond to Oversight’s request for fiscal impact, but did not provide any information. Oversight notes this proposal pertains to the Boone County Sheriff’s salary. Oversight assumes this does not place a limitation on the salary of the Boone County Sheriff and, therefore, there could be a potential increase from the salary that would be higher than what current statute dictates. Because Oversight is unclear on how much of an increase could be received by the Boone County Sheriff, Oversight will assume a \$0 or unknown cost to the Boone County Sheriff’s Office.

§473.742 – Salaries of Public Administrators

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, 2024, 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 from the 2023 tax year 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 \$1,790,500. Adding additional payroll taxes and workers’ compensation would yield

a potential cost that could exceed \$2,005,539 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 | 0 | 0 | \$ 25,000 | \$ 34,000 | \$ 9,000 | \$ - |
| \$86,000,000 to \$99,999,999 | 3 | 3 | \$ 25,000 | \$ 36,000 | \$ 11,000 | \$ 33,000 |
| \$100,000,000 to \$130,999,999 | 3 | 8 | \$ 25,000 | \$ 38,000 | \$ 13,000 | \$ 104,000 |
| \$131,000,000 to \$159,999,999 | 3 | 9 | \$ 25,000 | \$ 40,000 | \$ 15,000 | \$ 135,000 |
| \$160,000,000 to \$189,999,999 | 3 | 9 | \$ 25,000 | \$ 41,000 | \$ 16,000 | \$ 144,000 |
| \$190,000,000 to \$249,999,999 | 3 | 13 | \$ 25,000 | \$ 41,500 | \$ 16,500 | \$ 214,500 |
| \$250,000,000 to \$299,999,999 | 3 | 10 | \$ 25,000 | \$ 43,000 | \$ 18,000 | \$ 180,000 |
| \$300,000,000 to \$449,999,999 | 3 | 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 | 5 | \$ 25,000 | \$ 49,000 | \$ 24,000 | \$ 120,000 |
| \$750,000,000 to \$899,999,999 | 3, 4 | 5 | \$ 25,000 | \$ 51,000 | \$ 26,000 | \$ 130,000 |
| \$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 | 2 | 1 | \$ 25,000 | \$ 57,000 | \$ 32,000 | \$ 32,000 |
| \$1,350,000,000 and over | 0 | 0 | \$ 25,000 | \$ 59,000 | \$ 34,000 | \$ - |
| | | 96 | | | | \$ 1,790,500 |
| | | | | Payroll taxes | 7.65% | \$ 136,973 |
| | | | | Work Comp | 4.36% | \$ 78,066 |
| | | | | Grand Total | | \$ 2,005,539 |

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 Health and Senior Services**, the **Department of Social Services**, **St. Louis City**, the **Christian County Auditor’s Office**, the **Clay County Auditor’s Office**, the **Phelps County Sheriff’s Office**, the **County Employees Retirement Fund**, the **Office of the State Courts Administrator** 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.

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 2025 (10 Mo.) | FY 2026 | FY 2027 |
|---|---------------------|-------------------|-------------------|
| | | | |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT – Local Government</u> | FY 2025 (10 Mo.) | FY 2026 | FY 2027 |
|---|---|---|---|
| COUNTY FUNDS | | | |
| <u>Cost</u> – potential salary increases for county coroners (§§50.327 & 58.095) p. 3 | \$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) p. 5 | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| <u>Costs</u> – Boone County Sheriff – potential increase in salary. §57.317 p.5 | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
| <u>Cost</u> – Potential salary increases for public administrators (§473.742) p. 6 | \$0 to (Could exceed \$1,671,283) | \$0 to (Could exceed \$2,005,539) | \$0 to (Could exceed \$2,005,539) |
| ESTIMATED NET EFFECT ON COUNTY FUNDS | <u>(Unknown, could exceed \$3,197,283)</u> | <u>(Unknown, could exceed \$3,531,539)</u> | <u>(Unknown, could exceed \$3,531,539)</u> |

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

COUNTY CORONERS (Sections 50.327, 58.095, and 58.200)

Currently, a raise is authorized for county coroners in counties of the second classification. The bill changes the authorization to apply to all non-charter counties. This bill 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 must be equal for all county officials in that county. The bill also authorizes a coroner who is acting as sheriff under the law, to receive a salary equivalent to the sheriff's salary while acting as such.

COUNTY AUDITOR (Section 55.160)

In counties of the first and second classification, the county auditor is authorized to have access to and the ability to audit and examine claims of every kind and character for which a county officer has a fiduciary duty.

BOONE COUNTY SHERIFF (Section 57.317)

Excludes the sheriff of Boone County from the requirement that sheriffs in counties of the first and second classification receive an annual salary equal to 80% of the compensation of an associate circuit judge of the county.

DELINQUENT PROPERTY TAX AUCTIONS (Sections 140.170 and 140.190)

This bill allows a county collector to hold an auction of lands with delinquent property taxes through electronic media, including the internet, at the same time as the auction is held in person.

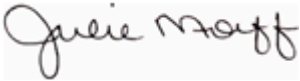
PUBLIC ADMINISTRATORS (Section 473.742)

The bill provides that if a public administrator is appointed by the court as both a guardian and a conservator to the same ward or protectee, it will be considered two letters. Upon majority approval of the county salary commission, a public administrator may be paid according to the assessed valuation schedule set forth in the bill. If the salary commission elects to pay a public administrator according to the salary schedule it cannot thereafter change to paying the public administrator according to the average number of open letters. Beginning January 1, 2024, public administrators whose terms start on or after that date shall be deemed to have elected to receive a salary as provided in the bill.

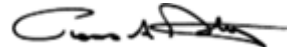
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Commerce and Insurance
Office of the State Auditor
Department of Economic Development
Department of Health and Senior Services
Department of Social Services
St. Louis City
Christian County Auditor's Office
Clay County Auditor's Office
Phelps County Sheriff's Office
County Employees Retirement Fund
Office of the State Courts Administrator
State Tax Commission



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February 11, 2024



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