

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5985H.011
Bill No.: HB 2897
Subject: Political Subdivisions; County Officials
Type: Original
Date: April 8, 2024

Bill Summary: This proposal modifies the minimum base salary amounts for certain noncharter 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 State Funds</u>	\$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 or (Unknown, could exceed \$3,858,371)	\$0 or (Unknown, could exceed \$4,630,045)	\$0 or (Unknown, could exceed \$4,630,045)

FISCAL ANALYSIS

ASSUMPTION

§§49.082, 50.327, 50.334, 51.281, 52.269, 53.082, 54.261, 54.320, 55.091 – Minimum Salary Base Amounts for Certain Non-Charter County Officials

Oversight assumes §§50.327 state the salary 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 salary 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 (if approved by the appropriate salary 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 salary 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.

§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, 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 78th 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 \$2,771,222. Adding additional payroll taxes and workers' compensation would yield a potential cost that could exceed \$3,104,045 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>
Under \$51,000,000	3	1	\$ 25,000	\$ 36,008.40	\$ 11,008	\$ 11,008
\$51,000,000 to \$100,000,000	3	4	\$ 25,000	\$ 39,009.10	\$ 14,009	\$ 56,036
\$100,000,001 to \$150,000,000	3	16	\$ 25,000	\$ 42,009.80	\$ 17,010	\$ 272,157
\$150,000,001 to \$200,000,000	3	14	\$ 25,000	\$ 45,010.50	\$ 20,011	\$ 280,147
\$200,000,001 to \$250,000,000	3	10	\$ 25,000	\$ 48,011.20	\$ 23,011	\$ 230,112
\$250,000,001 to \$300,000,000	3	9	\$ 25,000	\$ 51,011.90	\$ 26,012	\$ 234,107
\$300,000,001 to \$350,000,000	3	8	\$ 25,000	\$ 54,012.60	\$ 29,013	\$ 232,101
\$350,000,001 to \$400,000,000	3	1	\$ 25,000	\$ 57,013.30	\$ 32,013	\$ 32,013
\$400,000,001 to \$450,000,000	3	6	\$ 25,000	\$ 60,014.00	\$ 35,014	\$ 210,084
\$450,000,001 to \$500,000,000	3,4	4	\$ 25,000	\$ 63,014.70	\$ 38,015	\$ 152,059
\$500,000,001 to \$550,000,000	3,4	3	\$ 25,000	\$ 66,015.40	\$ 41,015	\$ 123,046
\$550,000,001 to \$600,000,000	3	8	\$ 25,000	\$ 69,016.10	\$ 44,016	\$ 352,129
\$600,000,000 to \$1,000,000,000	3,4	9	\$ 25,000	\$ 72,016.80	\$ 47,017	\$ 423,151
\$1,000,000,001 to \$5,000,000,000	2	3	\$ 25,000	\$ 75,017.50	\$ 50,018	\$ 150,053
\$5,000,000,001 to \$10,000,000,000	STL City	1	\$ 65,000	\$ 78,018.20	\$ 13,018	\$ 13,018
\$10,000,000,001 or more	0	0	\$ 25,000	\$ 81,018.90	\$ 56,019	\$ -
		97				\$ 2,771,222
				Payroll taxes	7.65%	\$ 211,998
				Work Comp	4.36%	\$ 120,825
				Grand Total		\$ 3,104,045

*Number of Counties were based off of the Total Assessed Valuation by County in the 78th Annual Report from the State Tax Commission
 **Section 473.742 - Highest salary is based on 26 to 39 letters maximum when going by how much to pay in salary based on letters. 40 letters or more would be salaried. STL City minimum salary in statute is \$65,000

Responses regarding the proposed legislation as a whole

Officials from the **Lincoln County Assessor’s Office** assume the only impact would be to general revenue funding in each county to adjust the salaries for elected officials to the new proposed salary schedule base. The last schedule was approved in 1997.

Officials from the **Christian County Auditor’s Office** and the **Clay County Auditor’s Office** 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 received a limited number of responses from county officials related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional 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.

<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
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> – potential salary increases for county coroners (§50.327.3)	\$0 or up to (\$1,271,667)	\$0 or up to (\$1,526,000)	\$0 or up to (\$1,526,000)
<u>Costs</u> – adjustment on base schedules for county officials (§§49.082, 50.334, 51.281, 52.269, 53.082, 54.261, 54.320, 55.091)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> – Potential salary increases for public administrators (§473.742)	<u>\$0 to (Could exceed \$2,586,704)</u>	<u>\$0 to (Could exceed \$3,104,045)</u>	<u>\$0 to (Could exceed \$3,104,045)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0 or (Unknown, could exceed \$3,858,371)</u>	<u>\$0 or (Unknown, could exceed \$4,630,045)</u>	<u>\$0 or (Unknown, could exceed \$4,630,045)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Currently, the exact annual salaries for certain county officials are established in State statute. Salaries are fixed on an assessed valuation schedule, with officials from counties with higher assessed valuation receiving a higher annual salary.

This bill replaces the existing fixed annual salary with a minimum starting salary linked to and adjusts the assessed valuation schedules, as specified in the bill.

The bill specifies that any percentage salary adjustment beginning on the effective date of the bill will not decrease the current salary of any official.

Currently, the salary commission of a county may increase the annual salary of a county official by up to \$2,000 more than the annual compensation provided by statutory salary schedules. This bill repeals the \$2,000 limit for increases to county official compensation

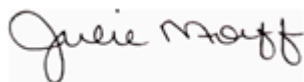
The county offices that are affected by this change include the county commissioner, recorder of deeds, county clerk, county collector, county assessor, county treasurer, county collector-treasurer, county auditor and public administrator.

Finally, the bill repeals multiple-enacted sections as a result of the Missouri Supreme Court finding HB 1606 (2022) unconstitutional.

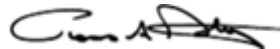
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Lincoln County Assessor's Office
Christian County Auditor's Office
Clay County Auditor's Office



Julie Morff
Director
April 8, 2024



Ross Strope
Assistant Director
April 8, 2024