

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1459H.02C  
Bill No.: HCS for HB 558  
Subject: Retirement - Local Government; Retirement Systems and Benefits - General; Law Enforcement Officers and Agencies; County Officials; Counties  
Type: Original  
Date: April 10, 2025

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Bill Summary: This proposal modifies provisions relating to the sheriffs' retirement system.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>  |                |                |                |
|------------------------------------------------------|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                 | <b>FY 2026</b> | <b>FY 2027</b> | <b>FY 2028</b> |
|                                                      |                |                |                |
|                                                      |                |                |                |
| <b>Total Estimated Net Effect on General Revenue</b> | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |                |                                   |                |
|---------------------------------------------------------------|----------------|-----------------------------------|----------------|
| <b>FUND AFFECTED</b>                                          | <b>FY 2026</b> | <b>FY 2027</b>                    | <b>FY 2028</b> |
| Deputy Sheriff Salary Supplementation Fund (0913)             | \$0            | Could exceed (\$3,259,765)        | \$0            |
|                                                               |                |                                   |                |
| <b>Total Estimated Net Effect on <u>Other</u> State Funds</b> | <b>\$0</b>     | <b>Could exceed (\$3,259,765)</b> | <b>\$0</b>     |

Numbers within parentheses: () indicate costs or losses.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS                         |            |            |            |
|---------------------------------------------------------------|------------|------------|------------|
| FUND AFFECTED                                                 | FY 2026    | FY 2027    | FY 2028    |
|                                                               |            |            |            |
|                                                               |            |            |            |
| <b>Total Estimated Net Effect on <u>All</u> Federal Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) |          |          |          |
|----------------------------------------------------|----------|----------|----------|
| FUND AFFECTED                                      | FY 2026  | FY 2027  | FY 2028  |
|                                                    |          |          |          |
|                                                    |          |          |          |
| <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.

| ESTIMATED NET EFFECT ON LOCAL FUNDS |                                     |                                     |                                     |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| FUND AFFECTED                       | FY 2026                             | FY 2027                             | FY 2028                             |
|                                     |                                     |                                     |                                     |
|                                     |                                     |                                     |                                     |
| <b>Local Government</b>             | <b>Could exceed<br/>\$1,000,000</b> | <b>Could exceed<br/>\$4,459,765</b> | <b>Could exceed<br/>\$1,200,000</b> |

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Joint Committee on Public Employee Retirement (JCPER)** indicate this proposal will not affect retirement plan benefits as defined in Section 105.660(9). 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.

### Repealed Sections 57.955, 57.962, 483.088 and 488.024 - \$3 Surcharge

Officials from the **Joint Committee on Public Employee Retirement (JCPER)** indicate this proposal will not affect retirement plan benefits as defined in Section 105.660(9). 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.

In response to the previous version, officials from the **Sheriff's Retirement System** stated the Missouri Supreme Court in 2021 ruled the collection of the \$3 criminal fee was unconstitutional. The collection of the fee was removed in July 2021. This is clean up language to remove the fee that can no longer be collected to fund the Sheriffs' Retirement System. Therefore, there is no impact on the retirement system.

### Section 57.278 – Balance Transfer

Officials from **Department of Public Safety – Director's Office** state 57.278.2 RSMo requires that the Deputy Sheriff Salary Supplementation Fund (DSSSF) have half of the balance every two years moved to a newly created fund. This will have a fiscal impact on the DSSSF balance which the balance each year is unknown.

**Oversight** notes the following Year End balances:

|                |                    |
|----------------|--------------------|
| FY 2024        | \$7,053,679        |
| FY 2023        | \$6,215,326        |
| <u>FY 2022</u> | <u>\$6,289,583</u> |
| Average        | \$6,519,529        |

Oversight will show 50% of the average balance (\$3,259,765) of the Deputy Sheriff Salary Supplementation Fund transferring to the Sheriffs' Retirement Fund in FY 2027 and an unknown amount each biennium thereafter.

Section 57.280 - \$5 Fee for Service

Officials from the **Sheriffs' Retirement System** state the \$5 fee for service amount is estimated at \$1.2 million based on the collections to the Deputy Sheriff Salary Supplementation Fund in FY 23-24 (based on the receipts from the fiscal year 2024 - 12 months of collections). The \$2 jail per diem is estimated at \$3.4 million based on the estimated days for FY 2025 in the DOC budget book.

**Oversight** notes the Deputy Sheriff Salary Supplementation Fund accounts or moneys collected from charges for service received by county sheriffs under subsection 4 of section 57.280, RSMo. The money in the fund shall be used solely to supplement the salaries, and employee benefits resulting from such salary increases, of county deputy sheriffs.

Subsection 4 of section 57.280, RSMo. states "...the sheriff shall receive ten dollars for service of any summons, writ, subpoena, or other order of the court included under subsection 1 of this section, in addition to the charge for such service that each sheriff receives under subsection 1 of this section. The money received by the sheriff under this subsection shall be paid into the county treasury and the county treasurer shall make such money payable to the state treasurer. The state treasurer shall deposit such moneys in the Deputy Sheriff Salary Supplementation Fund created under section 57.278."

**Oversight** notes the following receipts for the Deputy Sheriff Salary Supplementation Fund (0913):

|         |             |
|---------|-------------|
| FY 2024 | \$2,493,184 |
| FY 2023 | \$1,771,837 |
| FY 2022 | \$1,823,268 |
| Average | \$2,029,430 |

**Oversight** will show a \$1.2 million increase in collections to the Sheriffs' Retirement Fund as estimated by the Sheriffs' Retirement System.

Section 221.105 - \$2 Prison Reimbursement Transfer

**Oversight** notes section 221.105 states "...any county receiving reimbursement under this section shall make payable two dollars per prisoner per day of such reimbursement to the state treasurer, who shall deposit such funds in the sheriffs' retirement fund...".

**Oversight notes**, according to the Department of Correction’s FY 2025 Budget Request, program expenditures have totaled:

|                     | <u>FY 2021</u> | <u>FY 2022</u> | <u>FY 2023</u> |
|---------------------|----------------|----------------|----------------|
| Actual expenditures | \$50,518,325   | \$40,837,093   | \$52,680,658   |

**Oversight** notes the current reimbursement rate is \$22.58. If counties were to transfer \$2 of the reimbursement cost to the Sheriffs’ Retirement Fund, the transfer is estimated at \$4,666,134  $((\$52,680,658 / \$22.58) * \$2)$ . This would be a loss to counties and a gain to the Sheriffs’ Retirement Fund.

Officials from the **Department of Corrections**, the **Office of the State Courts Administrator**, the **Office of the State Treasurer** and the **Phelps County Sheriff** 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 2026<br>(10 Mo.) | FY 2027                                            | FY 2028    |
|-----------------------------------------------------------------|---------------------|----------------------------------------------------|------------|
|                                                                 |                     |                                                    |            |
| <b>DEPUTY SHERIFF SALARY<br/>SUPPLEMENTATION FUND</b>           |                     |                                                    |            |
|                                                                 |                     |                                                    |            |
| <u>Transfer Out</u> - \$57.278 to the Sheriffs’ Retirement Fund | <u>\$0</u>          | Could exceed<br><u>(\$3,259,765)</u>               | <u>\$0</u> |
|                                                                 |                     |                                                    |            |
| <b>DEPUTY SHERIFF SALARY<br/>SUPPLEMENTATION FUND</b>           | <u>\$0</u>          | <b>Could exceed</b><br><b><u>(\$3,259,765)</u></b> | <u>\$0</u> |
|                                                                 |                     |                                                    |            |

| <u>FISCAL IMPACT – Local Government</u>                                                                                     | FY 2026<br>(10 Mo.)                 | FY 2027                             | FY 2028                             |
|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|                                                                                                                             |                                     |                                     |                                     |
| <b>LOCAL POLITICAL SUBDIVISIONS</b>                                                                                         |                                     |                                     |                                     |
|                                                                                                                             |                                     |                                     |                                     |
| <u>Transfer In</u> – to the Sheriffs’ Retirement Fund - §57.278 from the Deputy Sheriff Salary Supplementation Fund         | \$0                                 | Could exceed<br>\$3,259,765         | \$0                                 |
|                                                                                                                             |                                     |                                     |                                     |
| <u>Transfer In</u> – to the Sheriffs’ Retirement Fund - §221.105 \$2 per prisoner reimbursement transfer from the counties  | Could exceed<br>\$3,888,445         | Could exceed<br>\$4,666,134         | Could exceed<br>\$4,666,134         |
|                                                                                                                             |                                     |                                     |                                     |
| <u>Revenue Gain</u> – for the Sheriffs’ Retirement Fund - §57.280 \$5 increase in the cost for service fee                  | Could exceed<br>\$1,000,000         | Could exceed<br>\$1,200,000         | Could exceed<br>\$1,200,000         |
|                                                                                                                             |                                     |                                     |                                     |
| <u>Transfer Out</u> – from the Counties - §221.105 \$2 per prisoner reimbursement transfer to the Sheriffs’ Retirement Fund | Could exceed<br>(\$3,888,445)       | Could exceed<br>(\$4,666,134)       | Could exceed<br>(\$4,666,134)       |
|                                                                                                                             |                                     |                                     |                                     |
| <b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>                                                                 | <b>Could exceed<br/>\$1,000,000</b> | <b>Could exceed<br/>\$4,459,765</b> | <b>Could exceed<br/>\$1,200,000</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 provides for 50% of the moneys remaining in the Deputy Sheriff Salary Supplementation Fund at the end of the biennium to be credited to the Sheriffs’ Retirement Fund. (Section 57.278)

This bill allows for the sheriffs to receive an additional sum of \$15.00 for serving any summons, writ, subpoena, or other order of the court as specified in the bill. The State Treasurer is authorized to deposit \$10.00 of such moneys in the Deputy Sheriffs Salary Supplementation Fund and \$5.00 of such moneys in the Sheriffs' Retirement Fund. (Section 57.280)

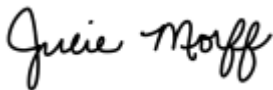
This bill provides that any county receiving reimbursement related to the per diem cost of incarceration of prisoners confined to jails or medium security institutions, will pay \$2.00 per prisoner per day of such reimbursement to the State Treasurer, who will deposit the money in the Sheriffs' Retirement Fund. (Section 221.105)

The bill repeals the assessment and collection of a \$3.00 surcharge collected in civil actions (Sections 57.955, 57.962, and 488.024.).

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

Joint Committee on Public Employee Retirement  
Sheriffs' Retirement System  
Department of Public Safety – Director's Office  
Department of Corrections  
Office of the State Treasurer  
Office of the State Courts Administrator  
Phelps County Sheriff



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