

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6475H.01I
Bill No.: HB 3066
Subject: Law Enforcement Officers and Agencies; City of St. Louis
Type: Original
Date: February 23, 2026

Bill Summary: This proposal modifies provisions relating to the St. Louis Board of Police Commissioners.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on General Revenue	\$0	\$0 or Unknown	\$0 or Unknown

*Oversight assumes the cost avoidance with the reduction in paid claims to the State Legal Expense Fund (1692) and the City of St. Louis taking on the contractual responsibility and ownership of the SLPD as of July 1, 2027 could result in the unknown exceeding \$250,000 annually.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
State Legal Expense Fund (1692)*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Cost avoidance less loss will net to zero.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Local Government	\$0	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **St. Louis Metropolitan Police Department** did not respond to **Oversight's** request for fiscal impact for this proposal.

§§84.160, 84.210, 84.325 and 105.726 - St. Louis Board of Police Commissioners

Officials from the **Attorney General's Office (AGO)** assume this legislation will have an unknown impact on the office and the Legal Expense Fund. It is difficult to estimate potential changes in fiscal liability under the proposed language. The unknown impact according to the AGO will be a positive impact to the LEF.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the AGO.

Officials from the **City of St. Louis** state the following:

The proposed legislation removes litigation and judgment costs from the calculated costs of the Police Department and thus adds to the City's funding responsibilities. The proposed legislation also removes the accountability of the Board to its own proposed line item budget appropriations by removing limits on budgetary transfers, which runs against budgetary best practices and further limits budget transparency.

Litigation Costs

In the current fiscal year budget (FY26) a total of \$5.6M was allocated through an internal services account to provide funding for legal representation and payments to the City's judgement account to satisfy potential legal settlements and judgments arising from activities of the department. By excluding these litigation and judgment costs from the calculated costs of maintaining a police force the proposed legislation seeks to redefine police costs as they have been historically understood and appropriated, adding funding responsibilities to the City.

Line Item Budgeting In General

The fundamental purpose of a line-item budget is to provide transparency for the appropriation of City revenue. It allows department heads to communicate needs and elected leaders to evaluate the best application of limited resources. While departments are expected to adhere to these limits, the City's budget ordinance allows for flexibility through budgetary transfers for unanticipated needs. Currently, transfers are limited to \$250,000 per occurrence and require approval from the Board of Estimate and Apportionment (E&A). This process ensures accountability to the original appropriating ordinance while allowing for necessary adjustments during the fiscal year.

Line Item Budgeting in the Police Department

The Police Department's budget process is governed by R.S. Mo 84.210, which requires the department to submit a detailed table of organization and line items for personnel, supplies, and services. It is this submission that serves as the basis for the City's appropriation. The statute explicitly states that the Police Board shall not transfer funds between line items without prior approval from the Board of E&A. This process operated effectively prior to local control, allowing the Police Board to set its budget within funding limits while maintaining accountability. However, the language in HB 3066 would eliminate the requirement for E&A approval, granting the Police Board sole authority over transfers.

This proposed legislative change undermines best practices in line-item budgeting and differs from the requirements of all other departments, including the Circuit Court. If the board that submits the budget can move funds at will after appropriation, transparency is diminished, and the budget process as outlined by the statute becomes a fictional exercise. The current process under R.S. Mo 84.210 has historically allowed the Police Board to manage its budget without sacrificing these essential principles. The proposed legislation puts this fiscal accountability at risk.

Oversight assumes §84.325.3 allows any liability for payment of any claim, lawsuit, or other action will remain with the City of St. Louis and will not be reimbursed out of the State Legal Expense Fund (LEF) once the Board of Police Commissioners takes control (July 1, 2027). This will result in a reduction in claims paid out of the LEF. Therefore, Oversight will reflect this cost avoidance to general revenue with the offset going to the City of St. Louis.

Oversight assumes §84.160 removes any litigation costs, including attorney's fees due for representation of the board and individual officers, settlements or judgments. The City of St. Louis states above that \$5.6 million was allocated for the current fiscal year budget (FY26) to provide funding for legal representation and payments to the City's judgement account to satisfy potential legal settlements and judgments arising from activities of the department. The City goes on to state that by excluding these litigation and judgment costs from the calculated costs of maintaining a police force, this would add funding responsibilities to the City. Oversight does not have any future information on what litigation costs may be allocated for the City of St. Louis. Therefore, Oversight assumes litigation costs would be excluded in the calculation and result in a \$0 or unknown revenue gain for the St. Louis Metropolitan Police Department (SLPD) and a \$0 or unknown loss for the City of St. Louis.

Oversight assumes §84.325.3 will allow the Board of Police Commissioners to assume control of the SLPD no later than July 1, 2027, from the State. The Board will accept responsibility and ownership for contractual obligations of the SLPD and the State will no longer have this liability. Therefore, Oversight will reflect a \$0 or unknown cost avoidance in FY28 and FY29 to general revenue for the state's responsibility and a \$0 or unknown cost in FY28 and FY29 to the City of St. Louis for their responsibility. Oversight notes the State and the City of St. Louis's impact for FY27 was already reflected in the TAFP version of HB 495 in 2025.

Officials from the **Office of Administration - Budget and Planning, Department of Public Safety (Office of the Director and Missouri Highway Patrol)**, and the **Office of Administration** 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 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost Avoidance – AGO (§84.325.3)</u> Reduction in the amount of claims paid p.4	\$0	\$0 or Unknown	\$0 or Unknown
<u>Cost Avoidance – (§84.325.3) City of St. Louis taking ownership of contractual obligations and responsibility of the SLPD p.4</u>	\$0	\$0 or Unknown	\$0 or Unknown
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
STATE LEGAL EXPENSE FUND (1692)			
<u>Cost Avoidance – AGO (§84.325.3)</u> Reduction in the amount of claims paid once the Board takes control of SLPD p.4	\$0	\$0 or Unknown	\$0 or Unknown
<u>Loss - (§84.325.3) Reduction in the amount of funds received by General Revenue due to reduced claims cost p.4</u>	\$0	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON STATE LEGAL EXPENSE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Gain</u> – SLPD (\$84.160) Additional funding available after excluding legal expenses to police force governed by the Board of Police p.4	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Loss</u> – City of St. Louis (\$84.160) Additional funding needed to fund the SLPD p.4	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> – City of St. Louis (\$84.325.3) Reduction in the amount of claims paid by the State LEF once the Board takes control of SLPD p.4	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> – City of St. Louis (\$84.325.3) Taking ownership and responsibility of contractual obligations of the SLPD p.4	\$0	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This bill specifies that any litigation costs, including attorneys' fees for representation of the Board of Police Commissioners and individual officers, settlements, or judgments will be excluded from the calculation of expenses for the maintenance of the police force for the purpose of the minimum funding requirements for the St. Louis Police Department. The bill also requires the budget adopted and certified by the Board to be the authorization of expenditures for the purposes specified in the budget and character classifications of budget items cannot be transferred from one classification to another without approval of the Board.

Currently, upon the assumption of control of the St. Louis Police Department by the Board, the State will accept responsibility, ownership, and liability as successor-in-interest. This bill

changes this provision to the Board accepting ownership and responsibility as successor-in-interest. Liability for payment of claims, lawsuits, or other actions will remain with St. Louis City without reimbursement from the State Legal Expense Fund other than specific reimbursement to the Board or any offset to the Board's minimum appropriation to fund the police force.

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
Office of Administration
 Budget and Planning
 Office of the Commissioner
Department of Public Safety
 Office of the Director
 Missouri Highway Patrol
City of St. Louis



Julie Morff
Director
February 23, 2026



Jessica Harris
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February 23, 2026