

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3515-01
Bill No.: SB 864
Subject: Law Enforcement Officers and Agencies; Retirement - Local Government;
 Retirement Systems and Benefits - General
Type: Original
Date: April 1, 2008

Bill Summary: Establishes a surcharge on criminal cases to fund a defined benefit system for certain law enforcement employees.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

The **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

Officials from the **State Treasurer's Office, St. Louis County** and **Department of Public Safety** assume no fiscal impact to their agency.

Officials from the **City of West Plains** assume there would be a positive fiscal impact of an unknown amount for the city.

Officials from the **City of Centralia** assume about \$28 in labor per month to account for payments and to prepare a check to the State of Missouri.

Officials from the **Office of State Courts Administrator (CTS)** assume beginning August 28, 2008, the proposal would impose a \$7.00 surcharge in all criminal cases, including municipal and ordinance violations. This money is to be deposited into the "Law Enforcement Safety Fund", which is created in this proposal.

CTS's calculation takes into account the fact that felony collection rates are only between 50% and 60% and misdemeanor collection rates average 80%. This surcharge is assessed on misdemeanor and felony cases. Since these defendants often do not have steady employment or cash reserves, the court often gives the defendants the period of probation to pay the costs and fines. Therefore, the revenue generated the first year is less than the generated in subsequent years. the felony collection rate increases over a period of four years, which CTS believes to be the average probation served for felonies. the collection rate of misdemeanors increases over two years, the average probation time for misdemeanants.

Exclude Fine Collection Center

Based on a 50% felony collection rate, CTS calculations indicate that the proposal will produce \$1,204,861 in the 1st 12 months, \$1,505,792 in the 2nd 12 months, \$1,534,530 in the 3rd 12 months, and \$1,563,267 annually thereafter. Based on a 60% felony collection rate, CTS calculations intimate that the proposal will produce \$1,210,608 in the 1st 12 months, \$1,517,587 in the 2nd 12 months, \$1,551,772 in the 3rd 12 months, and \$1,586,257 annually thereafter.

ASSUMPTION (continued)

Include Fine Collection Center

Based on a 50% felony collection rate, CTS calculations indicate that the proposal will produce \$2,026,945 in the 1st 12 months, \$2,327,879 in the 2nd 12 months, \$2,356,617 in the 3rd 12 months, and \$2,385,354 annually thereafter. Based on a 60% felony collection rate, CTS calculations indicate that the proposal will produce \$2,032,695 in the 1st 12 months, \$2,339,374 in the 2nd 12 months, \$2,373,859 in the 3rd 12 months, and \$22408,344 annually thereafter.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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LOCAL GOVERNMENT

<u>Revenue</u> - \$7 Surcharge on criminal cases	\$1,210,608 to \$2,032,695	\$1,517,287 to \$2,339,374	\$1,551,772 to \$2,373,859
<u>Distribution</u> - Payments to Law Enforcement Safety Fund Board	(\$1,210,608 to <u>\$2,032,695</u>)	(\$1,517,287 to <u>\$2,339,374</u>)	(\$1,551,772 to <u>\$2,373,859</u>)

ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

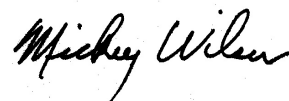
FISCAL DESCRIPTION

The proposed legislation establishes a surcharge on criminal cases to fund a defined benefit system for certain law enforcement employees.

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
State Treasurer's Office
St. Louis County
City of West Plains
City of Centralia
Office of State Courts Administrator
Department of Public Safety



Mickey Wilson, CPA
Director
April 1, 2008