

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1297-01
Bill No.: SB 295
Subject: Retirement - Local Government; Retirement Systems and Benefits - General;
 Fees; County Officials; Counties; County Government
Type: Original
Date: February 3, 2017

Bill Summary: This proposal increases various existing fees that are deposited in the county employees' retirement fund and creates a new fee to be paid into the fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government*	\$0	\$0	\$0

* Income and cost net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **County Employees' Retirement Fund (CERF)** assume the proposed legislation involves additional fee revenue for CERF from increases in existing fees and creation of a new one.

The estimated increase in revenues is as follows:

Section 50.1190 -	\$700,000
Section 137.280 & 137.343	\$875,000
Section 52.290* -	\$2,650,000
Section 150.150 -	\$250,000
Section 140.100 -	<u>\$1,475,000</u>
Total -	<u>\$5,950,000</u>

* CERF assumes the entire 1% increase will go to CERF.

Officials from the **Joint Committee on Public Retirement** assume the legislation indicates that the legislation services to increase several existing fees and penalties that are used to fund County Employees' Retirement Fund (CERF). In addition, it creates a new fee that will be used to provide additional funding to CERF.

Current System Status As of January 1, 2016		
Market Value	\$432,504,491	68% (Funded Ratio)
Actuarial Value	\$448,784,038	70% (Funded Ratio)
Liabilities	\$640,399,679	
Current Annual Required Contribution Rate		
Employer (FY16/17)	6.54%	\$25,608,251
Covered Payroll	\$391,801,920	

ASSUMPTION (continued)

Officials from **Callaway County**, **St. Louis County**, the **Platte County Board of Elections** and the **Jackson County Election Board** each assume the proposal will have no fiscal impact on their respective organizations.

CERF is not a local political subdivision; therefore, **Oversight** will not reflect a fiscal impact to their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2018 (10 Mo.)	 FY 2019	 FY 2020
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue</u> - Increase in various existing fees and a creation of a new fee	\$5,950,000	\$5,950,000	\$5,950,000
<u>Cost</u> - transfer to CERF	(<u>\$5,950,000</u>)	(<u>\$5,950,000</u>)	(<u>\$5,950,000</u>)
ESTIMATED NET EFFECT ON THE LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal increases various existing fees that are deposited in the county employees' retirement fund (CERF) and creates a new fee that will also be paid into the fund.

A fee collected from the recorder of deeds on all documents recorded or filed is increased from six dollars to seven dollars.

FISCAL DESCRIPTION (continued)

A fee collected on delinquent and back taxes of which three-sevenths is paid to CERF is changed from seven percent of all sums collected to eight percent.

Penalty fees for a taxpayer failing to return personal property assessment lists to the county assessor are increased by five dollars.

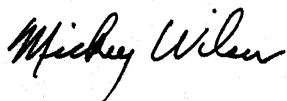
The twenty dollar fee charged for a merchant's license is increased to thirty dollars and twenty-five dollars of the fee shall go to CERF, rather than twenty dollars.

Currently, the county collector and clerk receive ten cents per tract of land recorded as delinquent on taxes. This act states that the collector and county shall each receive four dollars for recording the delinquent land lists and such fee shall go to CERF.

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 Retirement
County Employees' Retirement Fund
Callaway County
St. Louis County
Platte County Board of Elections
Jackson County Election Board



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February 3, 2017

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