

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1297-05  
Bill No.: SCS for SB 295  
Subject: Retirement - Local Government; Retirement Systems and Benefits - General;  
 Fees; County Officials; Counties; County Government  
Type: Original  
Date: March 3, 2017

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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**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<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 \$100,000 in any of the three fiscal years after implementation of the act.

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

\* Income and cost net to zero.

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **County Employees' Retirement Fund (CERF)** assumes 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.

The estimated increase in revenues is as follows:

Section 50.1190	\$2,125,000
Section 137.280 & 137.343	\$875,000
Section 52.290	\$3,965,000
Section 140.100	<u>\$1,844,000</u>
<b>Total</b>	<b>\$8,809,000</b>

Officials from the **Joint Committee on Public Retirement** assume the legislation indicates that the legislation serves to increase several existing fees and penalties that are used to fund the 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)

In response to a previous version, officials from **Callaway County, St. Louis County, the Platte County Board of Elections** and the **Jackson County Election Board** each assumed the proposal will have no fiscal impact on their respective organizations.

CERF is not considered 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
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Revenue</u> - Increase in various existing fees and a creation of a new fee	\$7,341,000	\$8,809,000	\$8,809,000
<u>Cost</u> - transfer to CERF	(\$7,341,000)	(\$8,809,000)	(\$8,809,000)
<b>ESTIMATED NET EFFECT ON THE LOCAL POLITICAL SUBDIVISIONS</b>	<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 act 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 nine 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 nine percent. Of the nine percent collected two and one quarter percent is paid to the county general fund, two and one quarter percent is paid to the county's tax maintenance fund, and four and one half percent is paid to CERF.

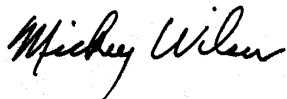
Penalty fees for a taxpayer failing to return personal property assessment lists to the county assessor are increased by five dollars.

Under the act, the collector and county clerk shall each receive five dollars for recording 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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March 3, 2017

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March 3, 2017