

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0639S.03C
 Bill No.: SCS for SB 78
 Subject: Saint Louis City; Law Enforcement Officers and Agencies; Retirement - Local Government; Boards, Commissions, Committees, and Councils; General Assembly; Governor and Lieutenant Governor
 Type: Original
 Date: April 3, 2023

Bill Summary: This proposal modifies provisions relating to the operation of certain law enforcement agencies.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Legal Expense Fund*	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Total Estimated Net Effect on <u>Other State Funds</u>*	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

Numbers within parentheses: () indicate costs or losses.

*Oversight assumes the cost avoidance will not exceed the \$250,000 threshold.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 2024	FY 2025	FY 2026
Local Government	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§§84.005, 84.012, 84.030, 84.035, 84.100, 84.140, 84.150, 84.160, 84.170, 84.225, 84.325, 84.344 & 84.346 – Safer St. Louis Act of 2023

Officials from the **Office of Administration (OA)** assume §84.325 of this proposal makes provisions for a board of police commissioners assuming control of a municipal police force. This bill contains language about the state taking responsibility and ownership of contractual and other lawful obligations of the municipal police department. This could have some fiscal impact for the State, but would be subject to judicial construction, so the impact is unknown.

Officials from the **Office of Administration - Budget and Planning (B&P)** state §84.225 creates a \$1,000 penalty for any mayor or city official who attempts to impede or hinder the Board of Commissioners. To the extent any related fines or penalties are deposited in the state treasury, TSR may be impacted.

§84.325.2 and .3 transfers certain assets, contractual obligations, indebtedness, and other lawful obligations from the St. Louis Police Department to the state. This expressly excludes any funds held by the city in the name of, for the benefit of, or for future contribution to any police pension system created under chapter 86. B&P does not have any information on what, if any, assets or obligations might be transferred. The state could risk picking up significant debt obligations.

Oversight assumes no penalties will be paid. Therefore, Oversight will reflect no fiscal impact for §84.225 of the proposal. **Oversight** assumes §84.325 could have some fiscal impact for the State, but would be subject to judicial construction, so the impact is unknown.

Oversight notes the Board of Police Commissioners for the City of St. Louis is currently controlled by the City of St. Louis. This proposal would allow transfer authority back to the State and could put the Board back under the control of the State of Missouri if so ordered by the court. Any additional costs or savings from this proposal to the City of St. Louis would depend on the budget that the Board of Police Commissioners submits. Therefore, Oversight will reflect an unknown savings to an unknown cost for the City of St. Louis.

§105.726 – State Legal Expense Fund

Officials from the **Office of Administration (OA)** assume §105.726.3 of this proposal adds the provision that reimbursement from the Legal Expense Fund (LEF) is on an equal share basis per claim up to a maximum of one million dollars per fiscal year. This change has the potential to avoid costs to the LEF. The maximum amount to be reimbursed remains unchanged with this

legislation. The number of successful claims is unknown; therefore, the potential cost avoidance is also unknown.

Oversight does not have information to the contrary and therefore, Oversight will reflect a \$0 to unknown impact to the LEF as provided by OA.

Bill as a Whole

Officials from the **Attorney General’s Office**, the **Department of Natural Resources**, the **Department of Labor and Industrial Relations**, the **Department of Public Safety’s Office of the Director**, the **Office of the Governor**, the **Missouri House of Representatives**, the **Missouri Senate** and the **Joint Committee on Administrative Rules** 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.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. **The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs.** However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
LEGAL EXPENSE FUND			
<u>Cost Avoidance - OA – potential reduction in costs to the LEF §105.726</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
ESTIMATED NET EFFECT ON THE LEGAL EXPENSE FUND	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
ST. LOUIS CITY			
Cost or Cost Avoidance – potential savings or costs to the City depending on the budget submitted by the Board of Police Commissioners §§84.005 to 84.346	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>
ESTIMATED NET EFFECT ON ST. LOUIS CITY	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</u>	<u>Unknown to (Unknown)</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 creates the "Safer St. Louis Act of 2023."

This act provides that the city of St. Louis may pass ordinances, including ordinances for preserving order and protecting the public; but no ordinances shall, in any manner, conflict or interfere with the powers or the exercise of the powers of any board of police commissioners. Additionally, the mayor or any city officer shall not impede or hinder any such board. The mayor or any city officer shall be liable for a penalty of \$1,000 for each and every offense to hinder the board and shall forever be disqualified from holding or exercising any office of the city.

Additionally, this act provides that any municipal police force in St. Louis City shall employ no less than 1,313 commissioned officers per each tenth of the percentage of the violent crime rate according to the Federal Bureau of Investigation's Uniform Crime Reporting System or 1,142 commissioned officers, whichever is greater. Such municipal police force shall also have commissioned officers with ranks at minimum levels according to this act. If the municipal police force fails to comply with any of these requirements, the Attorney General may file a civil action to enforce the provisions of this act. If a court finds the city violated this act, the court shall order the Governor to appoint a board of police commissioners to act as a special administrative board.

Such special administrative board shall develop a comprehensive policing plan addressing the governance, funding, and operation of any police force in the city. The board shall consider alternative police forces as provided in the act. Once the board adopts a policing plan, it shall be transmitted to the Governor, the Attorney General, the General Assembly, the Mayor of St. Louis, and the governing body of St. Louis. Such policing plan shall take effect the year

following its submission to the General Assembly, unless the General Assembly disapproves of the policing plan by concurrent resolution.

If the special administrative board adopts a police force under the control of a board of police commissioner, such board is required to appoint and employ a permanent police force consisting of not less than 1,142 members. The board may continue to employ as many non-commissioned police civilians as it deems necessary in order to perform the duties imposed on them, which shall include city marshals and park rangers. The board shall grant every member of the police force a certain number of paid vacation days based on how long each member has served as provided in the act.

Additionally, the board shall establish the following maximum number of officers of the police force in each rank:

- 1 chief of police with the rank of colonel;
- 1 assistant chief of police with the rank of lieutenant colonel;
- 4 additional lieutenant colonels;
- 10 captains;
- 57 lieutenants; and
- 188 sergeants.

No further appointments to the rank of major shall be made, but all members of the force now holding the rank of major shall continue in that rank until their promotion, demotion, removal, resignation, or other separation from the force. The salaries paid as of August 28, 2023, shall not be less than the annual salaries paid to each member before the enactment of this act and annual salaries shall increase by no less than \$4,000 by July 1, 2024. No additional compensation shall be given to any officer of the rank of lieutenant or above for overtime, court time, or stand-by court time.

Probationary patrolmen, patrolmen, and sergeants shall receive compensation for all hours of service in excess of the established regular working period, for all authorized overtime, and for employees who complete academic work at an accredited college or university up to a certain amount as provided in the act. Additionally, certain officers may receive up to 10% of their salary in additional compensation for hours worked between 11 p.m. and 7 a.m.

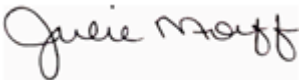
This act provides that until the board adopts other investigative and disciplinary procedures, the police force shall follow the disciplinary and investigative procedures established by the Police Manual of the St. Louis Metropolitan Police Department which are consistent with law. The board shall not adopt any disciplinary procedures that do not include the summary hearing board procedures provided for currently in the Police Manual.

This act provides that reimbursements from the Legal Expense Fund to the board for liability claims shall be on a twenty-one equal share basis per claim up to a maximum of one million dollars per fiscal year.

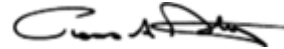
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration
Office of Administration
 Budget and Planning
Attorney General's Office
Department of Natural Resources
Department of Labor and Industrial Relations
Department of Public Safety
 Office of the Director
Joint Committee on Administrative Rules
Office of the Secretary of State
Office of the Governor
Missouri House of Representatives
Missouri Senate



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April 3, 2023



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April 3, 2023