

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2461S.02C  
 Bill No.: SCS for SB 647  
 Subject: Appropriations; Counties; County Government; County Officials; Courts; Circuit Clerks; Fees; General Assembly; Law Enforcement Officers and Agencies; Retirement Systems and Benefits - General  
 Type: Original  
 Date: April 19, 2023

Bill Summary: This proposal modifies provisions relating to the Sheriffs' Retirement System.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

\*Oversight assumes this proposal changes statutes to allow the General Assembly to appropriate funds to the Sheriffs' Retirement Fund. Oversight cannot estimate the amount the General Assembly would appropriate (if decided to do so) but assumes the amount could potentially exceed the \$250,000 threshold.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
<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.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</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 2024</b>	<b>FY 2025</b>	<b>FY 2026</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 \$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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0 or Unknown to (Unknown)</b>	<b>\$0 or Unknown to (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from **Joint Committee on Public Employee Retirement (JCPER)** state this proposal has no fiscal impact to the JCPER. The JCPER's review of this proposal indicates that its provisions shall constitute a "substantial proposed change" in future plan benefits as defined in section 105.660(10). It is impossible to accurately determine the fiscal impact of this legislation without an actuarial cost statement prepared in accordance with section 105.665.

Pursuant to section 105.670, an actuarial cost statement must be filed with the Chief Clerk of the House of Representatives, the Secretary of the Senate, and the Joint Committee on Public Employee Retirement as public information for at least five legislative days prior to final passage.

Officials from the **Sheriffs' Retirement System** state the general assembly and the governing body of a county may appropriate funds for deposit to the retirement fund. It also allows the board to accept gift, donations, grants and bequests from public or private sources. These are not mandates; therefore, the net increase for the Missouri Sheriffs' Retirement System is estimating this as \$0 to unknown positive.

The 5% member contribution from all active Sheriffs will generate revenue annually. The current year estimate is approximately \$425,000. The increase in annuity to \$1,000 monthly as the minimum would cost the system approximately \$17,000 per month or approximately \$204,000 annually in 2023. Therefore, the net increase for Missouri Sheriffs' Retirement Fund would be \$221,000 to unknown.

**Oversight** notes the costs and gains assumed by the retirement system may or may not impact the employer contribution rate of local sheriffs. Oversight will show a range of impact to local sheriffs of \$0 (no change in contribution rates) to an unknown savings (reduction in contribution rates) to an unknown cost (increase in contribution rates).

In response to a similar proposal, HCS HB 934 (2023), officials from the **Office of Administration - Budget and Planning** and **Local Government Employees Retirement System** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **County Employees Retirement Fund** assume the proposal will have no fiscal impact on their organization.

**Oversight** assumes the General Assembly and the governing body of a county may appropriate funds to the Sheriffs' Retirement Fund.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>GENERAL REVENUE</b>			
<u>Costs</u> – any potential appropriation to the Sheriffs’ Retirement Fund – §57.952	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Costs</u> – an appropriation from the governing body of a county - §57.952	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs/Savings</u> - from increased or reduced employer contributions - §57.952, §57.961 & §57.967	\$0	\$0 or Unknown to (Unknown)	\$0 or Unknown to (Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>\$0</b>	<b>\$0 or Unknown to (Unknown)</b>	<b>\$0 or Unknown to (Unknown)</b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This proposal modifies provisions related to the Sheriffs’ Retirement System.

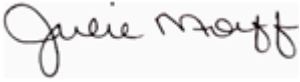
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

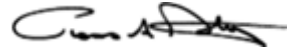
Sheriffs’ Retirement System  
 Local Government Employees Retirement System

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County Employee Retirement Fund  
Joint Committee on Public Employee Retirement  
Office of Administration - Budget and Planning



Julie Morff  
Director  
April 19, 2023



Ross Strobe  
Assistant Director  
April 19, 2023