

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4323S.01I
 Bill No.: SB 1157
 Subject: County Officials; Ethics; Liability; Public Officers; Retirement - Local Government; Retirement - Schools; Retirement - State; Retirement Systems and Benefits - General;
 Type: Original
 Date: February 6, 2024

Bill Summary: This proposal provides that certain public officers removed from office by a quo warranto action shall not be entitled to public retirement benefits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other State Funds</u>	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri State Employee's Retirement System, University of Missouri System, County Employees Retirement Fund, Public Education Employees' Retirement System, Kansas City Civilian Police Employees' Retirement, Kansas City Police Retirement System, Kansas City Public School Retirement System, Metro St. Louis Sewer District Employees Pension Plan, Rock Community Fire Protection District Retirement Plan, Northwest Missouri State University,** and the **University of Central Missouri** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Joint Committee on Public Employee Retirement (JCPER)** state the proposal has no direct fiscal impact to the JCPER. The JCPER's review of this proposal indicates that its provisions may 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 **MoDOT & Patrol Employees' Retirement System (MPERS)** state, if enacted, the proposed bill would disallow an employee or public official who is removed from office, from receiving a retirement benefit. Section 105.669 already provides for the forfeiture of a retirement benefit in the event an employee commits certain crimes in the course of employment, and this amendment would expand on those offenses. The expected fiscal impact of a pension forfeiture of this type would be negligible at most.

Officials from the **City of Kansas City** state the legislation could have a negative fiscal impact on the retirement systems of the City of Kansas City if there are litigation costs in defending against an employee not provided the employee's earned retirement benefits as a result of this legislation.

Officials from the **Kansas City Employees' Retirement System, Kansas City Supplemental Retirement Plan** and the **Kansas City Firefighter's Pension System** state this legislation could have a negative fiscal impact on Kansas City because an official not receiving retirement benefits as a result of the legislation may bring a lawsuit against the City and therefore there would be litigation costs.

Officials from the **Sheriffs' Retirement System** state the legislation would have an unknown impact to our retirement system. There is no way to determine if or which Sheriff could be removed from office and removed from our system. Therefore, the impact is unknown.

Oversight assumes the impact to the retirement systems would be immaterial. Therefore, Oversight will reflect a zero impact in the fiscal note for the employer members.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<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

The proposed legislation appears to have no direct fiscal impact.

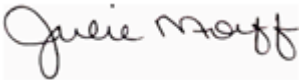
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

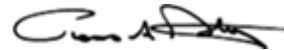
- Joint Committee on Public Employee Retirement
- Missouri State Employee's Retirement System
- MoDOT & Patrol Employees' Retirement System
- University of Missouri System
- County Employees Retirement Fund
- Public Education Employees' Retirement System
- Sheriffs' Retirement System
- City of Kansas City
- Kansas City Employees' Retirement System
- Kansas City Supplemental Retirement Plan
- Kansas City Firefighter's Pension System

L.R. No. 4323S.011
Bill No. SB 1157
Page 5 of 5
February 6, 2024

Kansas City Civilian Police Employees' Retirement
Kansas City Police Retirement System
Kansas City Public School Retirement System
Metro St. Louis Sewer District Employees Pension Plan
Rock Community Fire Protection District Retirement Plan
Northwest Missouri State University
University of Central Missouri



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