

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1103S.01I  
 Bill No.: SB 52  
 Subject: Saint Louis City; Law Enforcement Officers and Agencies; Retirement - Local Government; Boards, Commissions, Committees, and Councils; General Assembly; Governor and Lt. Governor  
 Type: Original  
 Date: January 22, 2025

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

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue**/**	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	Unknown to (Unknown)	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

\***Oversight** notes the impact of this proposal changes to liability claims eligible for payment under §105.711 paid by such boards on an equal share basis per claim, as well as the State taking ownership of contractual obligations of the SLPD (including liability). Oversight assumes the impact could exceed the \$250,000 threshold.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Legal Expense Fund (0692)*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\*Cost avoidance and reduction in contributions net to zero.  
 Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</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 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0 FTE</b>	<b>0 FTE</b>	<b>0 FTE</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 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government*</b>	<b>More or Less than (\$8,500,000)</b>	<b>More or Less than (\$8,500,000)</b>	<b>More or Less than (\$8,500,000)</b>

\*Oversight notes \$8,500,000 represents an additional 121 uniformed patrol officers needed to reach the 1,313 uniformed patrol officers per §§84.100 & 84.150 of this proposal.

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Due to time constraints, **Oversight** was unable to receive some agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

### **§§84.012, 84.020, 84.030, 84.100, 84.150, 84.160, 84.170, 84.225, 84.325 & 105.726 – Board of Police Commissioners**

Officials from the **Office of Administration (OA)** assume §84.325 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.

OA also assumes §105.726.3 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 any information contrary to that provided by OA. Therefore, Oversight will reflect OA's potential unknown impact to the State Legal Expense Fund. Oversight notes the Legal Expense Fund is funded by the General Revenue Fund as well as other state funds. For simplicity, Oversight will show the cost avoidance to General Revenue.

**Oversight** also assumes, if the state takes responsibility and ownership of contractual and other lawful obligations of the municipal police department, there could be an impact to the state. Oversight will reflect a potential unknown cost starting in FY 2026.

Officials from the **City of St. Louis** assume the proposed legislation would seek to reverse the assumption of local control of the City Police department that became effective on September 1, 2013. Aside from various operational considerations, the proposed legislation contains several provisions that would increase the cost of operations of the department and thus have a negative fiscal impact on the City and its ability to fund the department.

The legislation is unclear as to a proposed increase in staffing levels of the department. In one provision, the bill states that the number of patrolmen to be appointed shall not be less than 1,313. In a subsequent provision in the bill, the language establishes a maximum number of officers in the police force as follows: 76 commissioned officers at lieutenant and above; 200 commissioned officers at rank of sergeant; and 1,037 commissioned officers at the rank of patrolman (total of 1,313). This language appears to be in direct conflict with the forementioned requirement of no less than 1,313 patrolmen shall be appointed. (**Oversight** notes this is per §§84.100 & 84.150.)

In the FY25 budget, the number of authorized uniformed positions (excluding trainees and grant funded positions) totaled 1,192. Assuming the 1,313 requirement total, this would be an increase of 121 in authorized uniformed positions. An increase of this level would cost approximately \$8.5 million per year including pay and benefits. Despite the proposed legislation's use of the words "shall employ" or "to be appointed", the ability to actually fill such positions would remain questionable.

The proposed legislation is also uncertain as to the impact of the assignment of debt and assets of the department. It proposes to "convey, assign and otherwise transfer to the board title and ownership of all indebtedness and assets ...held in the name of or controlled by the municipal police department." Through the City's Municipal Finance Corporation the City has existing debt in the form of Leasehold Revenue and Improvement Bonds for facilities of the Police Department. Assignment of these assets which serve as the security for these bonds may be a violation of the existing indenture agreement.

In addition, the proposed legislation would also remove existing civilian and uniform employees of the Police Department from the City's civil service system. Under the civil service system these employees have certain rights of employment which would be no longer guaranteed under a state controlled board. The costs of any litigation stemming from this abrogation of employment rights cannot be determined.

While the legislation proposes returning control of the Police Department to a state controlled Board of Police Commissioners, the legal liability coverage provided by the State remains limited and in no event would exceed \$1 million per year in the aggregate. This is far less than the additional costs to be incurred as a result of other provisions in the bill.

If SB 52 is enacted and the State mandates that the City provide funding for a newly constituted police department operated under a state controlled board of police commissioners, it is possible court may find the law falls under the police funding exemption under Missouri Constitution, Article X, Section 21, commonly referred to as the Hancock Amendment. While the Hancock Amendment prevents the state from compelling municipalities to fund new or increased activities or services, in November 2022 voters approved a ballot initiative allowing the Missouri legislature to force municipalities to fund increases in police funding through December 31, 2026.

Article I, Section 21, currently states the following:

1. A new activity or service or an increase in the level of any activity or service beyond that required by existing law shall not be required by the general assembly or any state agency of counties or other political subdivisions, unless a state appropriation is made and disbursed to pay the county or other political subdivision for any increased costs.
2. Notwithstanding the foregoing prohibitions, before December 31, 2026, the general assembly may by law increase minimum funding for a police force established by a state board of police commissioners to ensure such police force has additional resources to serve its communities.

It is possible that a Missouri court in 2023 or beyond would find that this language does compel the City of St. Louis to fund new activities or services pertaining to a newly constituted police department, at least through December 31, 2026. Litigation would determine the outcome of this expense and if the City or the State would need to absorb this cost.

**Oversight** also assumes per §84.100 that the number of patrolmen to be appointed shall not be less than 1,313. St. Louis City states according to the FY25 budget, there are a total of 1,192 uniformed positions budgeted. St. Louis City states to meet the required 1,313 patrolmen positions, another 121 positions at a cost of \$8.5 million would need to be added. Therefore, Oversight will reflect an additional cost to St. Louis City that is up to \$8.5 million per fiscal year including pay and benefits for this proposal.

Officials from the **Office of Administration - Budget and Planning (B&P)** assumed §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.

Section 84.325.2 and .3 l 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** notes in §84.325, subdivisions 1 through 3, state on August 28, 2025, the Board of Police Commissioners shall assume control of any municipal police force established in any city not within a county, which, at this time, is only St. Louis City. Upon such assumption, any municipal police force within St. Louis City shall transfer to the Board title and ownership of all debts and assets, and the state shall accept responsibility, ownership, and liability as successor-in-interest for contractual obligations, debts, and other lawful obligations of the municipal police forces established in St. Louis City.

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. However, the AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation.

**Oversight** does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Department of Natural Resources**, the **Department of Public Safety (Office of the Director)** the **Department of Labor and Industrial Relations** 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** only reflects the responses received from state agencies and political subdivisions; however, the St. Louis Metropolitan Police Department and the St. Louis Police Retirement System were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE</b>			
<u>Cost Avoidance</u> – OA (§105.726) Reduction in the amount of claims paid (equal share basis compared to current law) pg. 3	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs/Transfer Out</u> – OA (§84.325) taking ownership of contractual obligations of the SLPD (including liability) pg. 3	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>
<b>LEGAL EXPENSE FUND (0692)</b>			
<u>Costs</u> - (§84.325) taking ownership of contractual obligations of the SLPD (including liability)	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Transfer In</u> – (§84.325) from General Revenue – for taking ownership of contractual obligations of the SLPD (including liability)	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost Avoidance</u> – OA (§105.726) Reduction in the amount of claims paid (equal share basis compared to current law) pg. 3	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Loss</u> - (§105.726) Reduction in the amount of funds received by General Revenue due to reduced claims costs pg. 3	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>ESTIMATED NET EFFECT ON THE LEGAL EXPENSE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>ST. LOUIS CITY</b>			
<u>Cost Avoidance</u> – (§84.325) from the State taking ownership of contractual obligations of the SLPD (including liability) p. 5	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Cost</u> – (§84.100) – increase in salary and benefits to add 121 additional patrolmen pg. 5	(Up to \$8,500,000)	(Up to \$8,500,000)	(Up to \$8,500,000)
<u>Cost</u> – (§105.726) cost increase due to reduction in the amount of claims paid by the State LEF (equal share basis compared to current law) pg. 5	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>ESTIMATED NET EFFECT ON ST. LOUIS CITY</b>	<b>More or Less than (\$8,500,000)</b>	<b>More or Less than (\$8,500,000)</b>	<b>More or Less than (\$8,500,000)</b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Beginning August 28, 2025, the Board shall assume control of the municipal police department of St. Louis and no later than September 28, 2025, the Governor shall appoint four commissioners to the Board who shall serve together with the president of the board of aldermen. The municipal police department shall transfer title and ownership of all indebtedness and assets and accept liability as successor-in-interest for contractual obligations of the police department. The Board shall initially employ, without reduction in rank, salary, or benefits, all commissioned and civilian personnel of the municipal police department.

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 the Board of Police Commissioners. Additionally, the mayor or any city officer shall not impede or hinder the Board of Police Commissioners. 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.



The Board is required to appoint and employ a permanent police force consisting of not less than 1,313 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 maximum number of officers of the police force in each rank shall be as follows:

- 76 officers at the rank of lieutenant and above;
- 200 officers at the rank of sergeant; and
- 1,037 officers at the rank of patrolman.

The salaries paid as of August 28, 2025, shall not be less than the annual salaries paid to each member before the enactment of this act. 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.

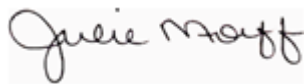
This act provides that reimbursements from the Legal Expense Fund to the Board for liability claims shall be on an equal share basis per claim up to a maximum of one million dollars per fiscal year.

This act repeals all provisions relating to the municipal police force established by the city of St. Louis.

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  
St. Louis City  
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



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