

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6379-01
Bill No.: HB 2497
Subject: County Government; County Officials;
Type: Original
Date: April 4, 2016

Bill Summary: This proposal modifies provisions relating to the compensation of county officers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	(Could exceed \$2,013,000)	(Could exceed \$2,415,600)	(Could exceed \$805,200)

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials at **Cole County** assume this bill will negatively impact the County's finances. The Finance Office has determined that this legislation, specifically the new provision in section 50.333, subsection 14, will cost Cole County an extra:

\$69,408 in 2017
\$84,677 in 2018
\$100,252 in 2019
\$116,139 in 2020
\$132,343 in 2021
\$148,872 in 2022

Additional years of increased pay will be necessary to meet the statutory requirement, but the Cole County Finance Office limited its projections to 2017 and the five years following for purposes of this fiscal note. In addition, some Cole County officer positions have been designated as part-time and the officeholders' salaries are adjusted to reflect that status. This bill would force the County to increase pay for part-time officeholders to the same level as full-time positions.

In response to similar legislation this year, SB 1007, officials at **Carroll County** assumed the following increased costs:

\$41,940 in 2017
\$9,227 in 2018
\$9,411 in 2019
\$9,600 in 2020
\$9,792 in 2021
\$9,987 in 2022

ASSUMPTION (continued)

In response to similar legislation this year, SB 1007, officials at the **Callaway County Commission** assumed this proposal will have a significant impact on the County. Impact during the first year would be \$58,000. The next year would have an impact of approximately \$13,500.

Oversight assumes the FY 2018 amount of \$13,500 would be the same amount or greater in FY 2019. Therefore, Oversight will reflect an amount greater than \$13,500 in FY 2019 for this fiscal note period.

In response to similar legislation this year, SB 1007, officials at the **State Tax Commission** assumed no fiscal impact from this proposal.

Officials at **St. Louis County** assume no fiscal impact from this proposal.

ASSUMPTION (continued)

Oversight has listed the approximate mid-point salary cost and number of officials per 110 non-chartered counties based on the section of statute in the chart below. Oversight then calculated the 10% increase in salary in the first year starting January 1, 2017 and then calculated the 2% increase in salary in each subsequent year thereafter. Oversight assumes, with fringe benefit, this proposal could exceed the following amounts:

FY 2017 - \$2,013,000
 FY 2018 - \$2,415,600
 FY 2019 - \$ 805,200

Therefore, Oversight will reflect these costs for this proposal to county funds.

	Statute Section	# per County	Approx. Mid-Point	Ten Percent	Non-Chartered Counties	Total	Two Percent
County Commissioners	49.082	3	\$ 25,000	\$ 7,500	110	\$ 825,000	\$ 165,000
Clerk	51.281	1	\$ 38,000	\$ 3,800	110	\$ 418,000	\$ 83,600
Collector	52.269	1	\$ 38,000	\$ 3,800	110	\$ 418,000	\$ 83,600
Assessor	53.082	1	\$ 38,000	\$ 3,800	110	\$ 418,000	\$ 83,600
Treasurer	54.261	1	\$ 38,000	\$ 3,800	110	\$ 418,000	\$ 83,600
Auditor	55.091	1	\$ 43,000	\$ 4,300	110	\$ 473,000	\$ 94,600
Sheriff	57.317	1	\$ 46,000	\$ 4,600	110	\$ 506,000	\$ 101,200
Coroner	58.095	1	\$ 10,000	\$ 1,000	110	\$ 110,000	\$ 22,000
Public Administrator	473.742	1	\$ 40,000	\$ 4,000	110	\$ 440,000	\$ 88,000
						\$ 4,026,000	\$ 805,200
			6 months of 10%		FY 2017	\$ 2,013,000	
			6 months of 10% plus 6 months of 2%		FY 2018	\$ 2,415,600	
			12 months of 2%		FY 2019	\$ 805,200	

<u>FISCAL IMPACT - State Government</u>	FY 2017 (6 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2017 (6 Mo.)	 FY 2018	 FY 2019
COUNTY FUNDS			
<u>Cost</u> - increase in county officers' compensation	(Could exceed <u>\$2,013,000</u>)	(Could exceed <u>\$2,415,600</u>)	(Could exceed <u>\$805,200</u>)
ESTIMATED NET EFFECT ON COUNTY FUNDS	(Could exceed <u>\$2,013,000</u>)	(Could exceed <u>\$2,415,600</u>)	(Could exceed <u>\$805,200</u>)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

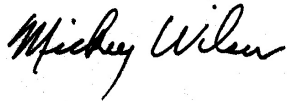
This bill provides that county officers in most non-charter counties can receive up to 200% of the maximum compensation allowed under statute. A provision of current law that allows counties in which all officers receive 100% of the maximum allowable compensation to raise county officer salaries beyond any statutory limitation is repealed. In addition, the bill provides that beginning January 1, 2017, the compensation of each officer must increase by 10% as a cost of living adjustment regardless of any action taken by the county salary commission to increase or decrease salaries. On January 1 each year thereafter, county officers must receive a cost of living increase of 2% until the officer's total compensation is at 200% of the maximum compensation allowed under statute. Under current law, the prosecuting attorney serves on the county salary commission. The bill removes the prosecuting attorney as a member of the commission.

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

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SOURCES OF INFORMATION

State Tax Commission
St. Louis County
Cole County
Carroll County
Callaway County Commission



Mickey Wilson, CPA
Director
April 4, 2016

Ross Strobe
Assistant Director
April 4, 2016