

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3796H.03C
Bill No.: HCS for SB 845
Subject: County Officials; Counties; County Government
Type: Original
Date: April 29, 2022

Bill Summary: This proposal modifies provisions relating to financial information provided to county officials.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
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 2023	FY 2024	FY 2025
Local Government	(Could Exceed \$863,846)	(Could Exceed \$1,827,692)	(Could Exceed \$1,827,692)

FISCAL ANALYSIS

ASSUMPTION

§§50.815 & 50.820 – County Financial Statements

In response to similar legislation from 2020, HB 1814, officials at **Henry County** assumed a savings of \$1,800 annually in publication costs from this proposal.

Oversight inquired with Henry County regarding this proposal. The County currently submits a 14 page document to the newspaper which lists out every dollar by vendor. Since this proposal requires a summary of data to be published in the newspaper, Henry County's publishing costs would be reduced as the number of pages would be reduced that would be submitted to the newspaper.

In response to similar legislation from 2020, HB 1814, officials at **Lincoln County** assumed a savings of \$2,000 annually in publication costs from this proposal.

In response to similar legislation from 2020, HB 1814, officials at **Livingston County** assumed a savings of \$2,500 annually in publication costs from this proposal.

Oversight assumes using the counties above as an example, if the average savings of the three counties publication costs is \$2,100 and 96 counties (2nd, 3rd and 4th class counties) in Missouri published their financials in the newspaper, the potential savings could be up to \$201,600 (\$2,100 * 96) per year. Therefore, Oversight will reflect a potential savings in publication costs for counties to post their financials through a newspaper of general circulation in their county that could exceed \$100,000 annually from this proposal.

In response to a previous version, officials from **Boone County** and **Greene County** each assumed 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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other counties were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in Oversight's database is available upon request.

§115.306 – Qualifications for Public Office

In response to similar legislation from this year, HB 1647, officials from the **Office of the Secretary of State** assumed the proposal will have no fiscal impact on their organization.

In response to similar legislation from this year, HB 1647, officials from **Department of Revenue (DOR)** assumed currently candidates for public office are required to attest on their declaration of candidacy form, filed with their local election authority, a statement saying they are not delinquent in the payment of any state income taxes, personal property taxes, municipal taxes, and real property taxes on their place of residence. This proposal appears to require that candidates for public office in the City of St. Louis must provide proof of the taxes paid or no-tax-due statements for each tax listed in addition to the attestation on the declaration of candidacy form. It is unclear in this proposal if the Department would be required to provide proof of the payment of the state income taxes. If the Department is expected to provide such notices then it will depend on the number of candidates involved. The Department may be required to hire a temporary employee to process the volume of statements needed. Temporary employees are estimated at \$8,164.

Oversight assumes that any potential duties required by DOR related to this proposal can be absorbed within current resource levels.

Oversight notes that Section 115.306.2 (4) states that this subdivision shall only apply to a city not within a county's offices that perform county functions (City of St. Louis). Oversight assumes that any costs arising as a result of this proposal can be absorbed by City of St. Louis with current resources; therefore, Oversight will reflect a zero impact on the fiscal note.

In response to similar legislation from this year, HB 1647, officials from the **Jackson County Board of Elections, Platte County Board of Elections, and St. Louis County Board of Elections** each assume the proposal will have no fiscal impact on their organizations.

Oversight notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local political subdivisions were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

§473.742 – Salaries of Public Administrators

In response to similar legislation from this year, SS for SCS for HCS for HB 1606, officials from **Clinton County** assumed the proposal will have no fiscal impact on their organization.

In response to similar legislation from this year, SS for SCS for HCS for HB 1606, officials from the Public Administrator's Office for the **City of St. Louis** assumed the proposal will have no fiscal impact on their organization.

Oversight notes each county has a public administrator, including the City of St. Louis. Oversight also notes that, currently, an incoming public administrator may elect to receive a salary or receive fees as may be allowed by law. Under terms of this proposal every public administrator beginning a first term on or after January 1, 2023, shall be deemed to have elected to receive a salary as provided in this section. Oversight assumes this proposal would potentially increase the salaries in 2nd, 3rd and 4th class counties based on assessed valuation. Oversight took the highest salary cap at 39 letters opened of \$25,000 and calculated the difference in salary that would be increased based on the assessed valuation in the chart below. Using the Total Assessed Valuation by County in the 76th Annual Report from the State Tax Commission, Oversight also organized the 2nd, 3rd, and 4th class counties into salary classifications based on the assessed valuation. From this chart, Oversight assumes there could be salary increases collectively exceeding \$1,721,000. Adding additional payroll taxes and workers' compensation would yield a potential cost that could exceed \$1,927,692 and Oversight will reflect this amount in the fiscal note for this proposal.

<u>Assessed Valuation</u>	<u>County Class</u>	<u>Number of Counties*</u>	<u>Highest Salary</u>	<u>Assessed Salary</u>	<u>Difference in Salary</u>	<u>Potential Adjusted Salary</u>
\$8,000,000 to \$40,999,999	3	1	\$25,000	\$ 29,000	\$ 4,000	\$ 4,000
\$41,000,000 to \$53,999,999	0	0	\$25,000	\$ 30,000	\$ 5,000	\$ -
\$54,000,000 to \$65,999,999	0	0	\$25,000	\$ 32,000	\$ 7,000	\$ -
\$66,000,000 to \$85,999,999	3	2	\$25,000	\$ 34,000	\$ 9,000	\$ 18,000
\$86,000,000 to \$99,999,999	3	2	\$25,000	\$ 36,000	\$ 11,000	\$ 22,000
\$100,000,000 to \$130,999,999	3	10	\$25,000	\$ 38,000	\$ 13,000	\$ 130,000
\$131,000,000 to \$159,999,999	3	13	\$25,000	\$ 40,000	\$ 15,000	\$ 195,000
\$160,000,000 to \$189,999,999	3	8	\$25,000	\$ 41,000	\$ 16,000	\$ 128,000
\$190,000,000 to \$249,999,999	3	12	\$25,000	\$ 41,500	\$ 16,500	\$ 198,000
\$250,000,000 to \$299,999,999	3	9	\$25,000	\$ 43,000	\$ 18,000	\$ 162,000
\$300,000,000 to \$449,999,999	3, 4	15	\$25,000	\$ 45,000	\$ 20,000	\$ 300,000
\$450,000,000 to \$599,999,999	3, 4	14	\$25,000	\$ 47,000	\$ 22,000	\$ 308,000
\$600,000,000 to \$749,999,999	3, 4	6	\$25,000	\$ 49,000	\$ 24,000	\$ 144,000
\$750,000,000 to \$899,999,999	3	1	\$25,000	\$ 51,000	\$ 26,000	\$ 26,000
\$900,000,000 to \$1,049,999,999	2	2	\$25,000	\$ 53,000	\$ 28,000	\$ 56,000
\$1,050,000,000 to \$1,199,999,999	2	1	\$25,000	\$ 55,000	\$ 30,000	\$ 30,000
\$1,200,000,000 to \$1,349,999,999	0	0	\$25,000	\$ 57,000	\$ 32,000	\$ -
\$1,350,000,000 and over	0	0	\$25,000	\$ 59,000	\$ 34,000	\$ -
		96				\$ 1,721,000
				Payroll taxes	7.65%	\$ 131,657
				Work Comp	4.36%	\$ 75,036
				Grand Total		\$ 1,927,692

*Number of Counties were based off of the Total Assessed Valuation by County in the 76th Annual Report from the State Tax Commission

Bill as a Whole

Officials from the **Department of Social Services**, the **Missouri Ethics Commission**, the **Kansas City Board of Elections**, the **Platte County Board of Elections**, the **St. Louis County Board of Elections** and the **Office of the State Auditor** 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, counties, local election authorities and public administrators were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
LOCAL POLITICAL SUBDIVISIONS			
<u>Savings</u> – Counties - in publication costs on financials posted in a newspaper of general circulation (§§50.815 & 50.820)	Could exceed <u>\$100,000</u>	Could exceed <u>\$100,000</u>	Could exceed <u>\$100,000</u>
<u>Cost</u> – Potential salary increases for public administrators (§473.742)	\$0 to (Could exceed <u>\$963,846</u>)	\$0 to (Could exceed <u>\$1,927,692</u>)	\$0 to (Could exceed <u>\$1,927,692</u>)
ESTIMATED NET EFFECT ON COUNTIES	(Could exceed <u>\$863,846</u>)	(Could exceed <u>\$1,827,692</u>)	(Could exceed <u>\$1,827,692</u>)

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

§§50.815 & 50.820 – County Financial Statements

This act requires second, third, and fourth class counties to produce and publish a county annual financial statement in the same manner as counties of the first classification. The financial statement shall include the name, office, and current gross annual salary of each elected or appointed county official.

The county clerk or other county officer preparing the financial statement shall provide an electronic copy of the data used to create the financial statement without charge to the newspaper requesting the data.

§473.742 – Salaries of Public Administrators

Currently, if a public administrator of a second, third, or fourth class county or of the City of St. Louis elects to be placed on salary, the salary is determined by a schedule based on the average number of open letters in the two years preceding the term in which the salary is elected. This act provides that every public administrator who begins his or her term on or after January 1, 2023,

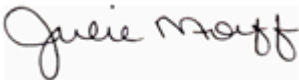
shall be deemed to have elected to receive such salary. This act also provides that a letter of guardianship and a letter of conservatorship shall be counted as separate letters. Additionally, it shall be two letters if the public administrator is appointed by the court as both a guardian and a conservator to the same ward or protectee.

Furthermore, this act provides that upon majority approval by the salary commission, a public administrator may be paid according to the assessed valuation schedule set forth in the act. If the salary commission elects to pay a public administrator according to the assessed valuation schedule, the salary commission shall not elect to change at any future time to pay the public administrator according to the average number of open letters in lieu of paying them according to the assessed valuation schedule.

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

Department of Social Services
Missouri Ethics Commission
Kansas City Board of Elections
Platte County Board of Elections
St. Louis County Board of Elections
Office of the State Auditor
Office of the Secretary of State
Department of Revenue
Jackson County Board of Elections
Clinton County
St. Louis City
Boone County
Greene County
Henry County
Lincoln County
Livingston County



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April 29, 2022



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