

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0287-01
Bill No.: HB 820
Subject: Law Enforcement Officers and Agencies; Courts; Crimes and Punishment
Type: Original
Date: April 20, 2009

Bill Summary: Establishes a "Law Enforcement Safety Fund" and creates a seven dollar surcharge in certain criminal cases to help fund it.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Law Enforcement Safety Fund	\$923,987 to \$1,666,909	\$1,403,817 to \$2,295,323	\$1,434,103 to \$2,325,609
Total Estimated Net Effect on <u>Other</u> State Funds	\$923,987 to \$1,666,909	\$1,403,817 to \$2,295,323	\$1,434,103 to \$2,325,609

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	(\$923,987 to \$1,666,909)	(\$1,403,817 to \$2,295,323)	(\$1,434,103 to \$2,325,609)

FISCAL ANALYSIS

ASSUMPTION

The **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

Officials from the **Office of State Courts Administrator** assume their calculation takes into account the fact that felony collection rates are only between 50% and 60%, and misdemeanor collection rates average 80%. This surcharge is assessed on misdemeanor and felony cases. Since these defendants often do not have steady employment or cash reserves, the court often gives the defendants the period of probation to pay the costs and fines. Therefore, the revenue generated the first year is less than that generated in subsequent years. We have included the chart we have used to predict revenue from this cost; you will note that the felony collection rate increases over a period of four years, which we believe to be the average probation served for felonies. The collection rate for misdemeanors increases over two years, the average probation time for misdemeanants.

Exclude Fine Collection Center

Based on a 50% felony collection rate, our calculations indicate that the legislation will produce \$1,108,785 in the 1st 12 months, \$1,403,817 in the 2nd 12 months, \$1,434,103 in the 3rd 12 months, and \$1,464,390 annually thereafter. Based on a 60% felony collection rate, our calculations indicate that the legislation will produce \$1,114,842 in the 1st 12 months, \$1,415,931 in the 2nd 12 months, \$1,452,275 in the 3rd 12 months, and \$1,488,619 annually thereafter.

Include Fine Collection Center

Based on a 50% felony collection rate, our calculations indicate that the legislation will produce \$2,000,291 in the 1st 12 months, \$2,295,323 in the 2nd 12 months, \$2,325,609 in the 3rd 12 months, and \$2,355,896 annually thereafter. Based on a 60% felony collection rate, our calculations indicate that the legislation will produce \$2,006,348 in the 1st 12 months, \$2,307,437 in the 2nd 12 months, \$2,343,781 in the 3rd 12 months, and \$2,238,125 annually thereafter.

Officials from **St. Louis County, Office of Prosecution Services, City of Kansas City and Cass County** assume there will be no fiscal impact to their agencies or counties.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
LAW ENFORCEMENT SAFETY FUND			
<u>Income - surcharge of \$7 in various criminal cases</u>	<u>\$923,987 to</u> <u>\$1,666,909</u>	<u>\$1,403,817 to</u> <u>\$2,295,323</u>	<u>\$1,434,103 to</u> <u>\$2,325,609</u>
ESTIMATED NET EFFECT ON LAW ENFORCEMENT SAFETY FUND	<u>\$923,987 to</u> <u>\$1,666,909</u>	<u>\$1,403,817 to</u> <u>\$2,295,323</u>	<u>\$1,434,103 to</u> <u>\$2,325,609</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
LOCAL GOVERNMENT			
<u>Cost - surcharge of \$7 in various criminal cases</u>	<u>(\$923,987 to</u> <u>\$1,666,909)</u>	<u>(\$1,403,817 to</u> <u>\$2,295,323)</u>	<u>(\$1,434,103 to</u> <u>\$2,325,609)</u>
ESTIMATED NET EFFECT ON LOCAL GOVERNMENT	<u>(\$923,987 to</u> <u>\$1,666,909)</u>	<u>(\$1,403,817 to</u> <u>\$2,295,323)</u>	<u>(\$1,434,103 to</u> <u>\$2,325,609)</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 creates the Law Enforcement Safety Fund and authorizes, beginning August 28, 2009, a \$7 surcharge to be collected in each criminal case involving a violation of any county ordinance, criminal or traffic law, or municipal ordinance. A seven-member board will administer the fund to be composed of two chiefs of police who are members of the Missouri Police Chiefs' Association, two full-time police officers or deputy sheriffs who are members of a state fraternal order of police, one sheriff, one member of the General Assembly from the Joint Committee on

FISCAL DESCRIPTION (continued)

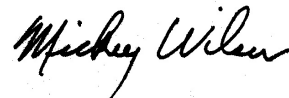
Public Employee Retirement, and one at-large member. The initial appointments will be made by the Governor with future members selected as specified in the bill.

The fund will be administered as a defined contribution system allowing any member of the system to receive the funds he or she contributes plus the interest or dividends earned less any maintenance fees. Eligibility for membership to the system is limited to full-time Missouri law enforcement employees except sheriffs from St. Louis City. Members with the required years of service will also be eligible to receive funds accumulated through the collection of surcharges. No member will be able to receive benefits from the system prior to reaching 55 years of age, and any benefits received from the system will not affect an officer's eligibility for any other retirement benefit plan.

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 State Courts Administrator
Joint Committee on Public Employee Retirement
St. Louis County
Office of Prosecution Services
City of Kansas City
Cass County



Mickey Wilson, CPA
Director
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