

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2021-02  
Bill No.: HCS for HB 979  
Subject: Retirement - Local Government; Retirement Systems and Benefits - General;  
 Fees; County Officials; Counties; County Government  
Type: Original  
Date: March 28, 2017

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Bill Summary: This proposal increases various existing fees that are deposited in the county employees' retirement fund.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Income and expense net to zero.

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **County Employees' Retirement Fund (CERF)** assume the proposed legislation increases various existing fees that are deposited in the County Employees' Retirement Fund and creates a new fee to be paid into the Fund.

The estimated increase in revenues is as follows:

Section 50.1190	\$ 2,125,000
Section 137.280 & 137.345	\$ 875,000
Section 52.290	\$ 5,295,000
Section 140.100	<u>\$ 1,845,000</u>
<b>Total</b>	<b>\$10,140,000</b>

Officials from the **Joint Committee on Public Retirement** assume the legislation indicates that the legislation serves to increase several existing fees and penalties that are used to fund the County Employees' Retirement Fund (CERF).

Current System Status As of January 1, 2016		
Market Value	\$432,504,491	68% (Funded Ratio)
Actuarial Value	\$448,784,038	70% (Funded Ratio)
Liabilities	\$640,399,679	
Current Annual Required Contribution Rate		
Employer (FY16/17)	6.54%	\$25,608,251
Covered Payroll	\$391,801,920	

ASSUMPTION (continued)

In response to a previous version, officials from **St. Louis County**, the **Platte County Board of Elections** and the **Jackson County Election Board** each assumed the proposal will have no fiscal impact on their respective organizations.

CERF is not a local political subdivision; therefore, **Oversight** will not reflect a fiscal impact to their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2018 (10 Mo.)	 FY 2019	 FY 2020
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Revenue</u> - Increase in various existing fees and a creation of a new fee	\$8,450,000	\$10,140,000	\$10,140,000
<u>Cost</u> - transfer to CERF	(\$8,450,000)	(\$10,140,000)	(\$10,140,000)
<b>ESTIMATED NET EFFECT ON THE LOCAL POLITICAL SUBDIVISIONS</b>	<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.

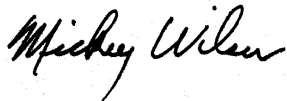
FISCAL DESCRIPTION

This bill modifies the fees deposited in the county employees' retirement fund (CERF) for funding the plan. The recorder of deeds fee on documents recorded or filed is increased from \$6 to \$9; a fee on delinquent and back dated taxes is increased from 7% to 9%; the penalty for failing to return personal property assessment lists is increased by \$5; and the amount the county collector and clerk receive per tract of land recorded as delinquent on taxes is increased from \$.15 to \$10.15 with \$10 going to CERF.

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 Retirement  
County Employees' Retirement Fund  
St. Louis County  
Platte County Board of Elections  
Jackson County Election Board



Mickey Wilson, CPA  
Director  
March 28, 2017

Ross Strope  
Assistant Director  
March 28, 2017