

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0529-05  
Bill No.: HCS for SB 61  
Subject: Courts; Eminent Domain and Condemnation  
Type: Original  
Date: April 29, 2011

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Bill Summary: This proposal deals with several local government issues.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(\$25,396)	(\$31,237)	(\$32,018)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$25,396)</b>	<b>(\$31,237)</b>	<b>(\$32,018)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Highway	\$199,791	\$239,749	\$239,749
State Legal Expense	Unknown	Unknown	Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$199,791 to Unknown</b>	<b>\$239,749 to Unknown</b>	<b>\$239,749 to Unknown</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 10 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</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 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Local Government</b>	<b>\$66,597 to Unknown</b>	<b>\$79,916 to Unknown</b>	<b>\$79,916 to Unknown</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Corrections (DOC)** state the component of the bill to have potential fiscal impact for DOC, is for a class D felony (Section 84.343). Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on the utilization by prosecutors and the actual sentences imposed by the court.

If additional persons are sentenced to the custody of the DOC due to the provisions of this legislation, the DOC will incur a corresponding increase of direct offender costs either through incarceration (FY 10 average of \$16.397 per offender, per day, or an annual cost of \$5,985 per inmate) or through supervision provided by the Board of Probation and Parole (FY 10 average \$3.92 per offender, per day or an annual cost of \$1,431 offender).

The following factors contribute to DOC's minimal assumption:

- The DOC assumes the narrow scope of the crime will not encompass a large number of offenders.
- The low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence.
- The probability exists that offenders would be charged with a similar but more serious offense or that sentences may run concurrent to one another.

The DOC assumes through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or minimal amount that could be absorbed within existing resources.

Officials from the **Office of the State Courts Administrator, Department of Public Safety - Highway Patrol, Department of Insurance, Financial Institutions and Professional Registration, Office of Prosecution Services, Department of Economic Development - Office of Public Council** and the **State Tax Commission** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Office of the Secretary of State (SOS)** assume 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

ASSUMPTION (continued)

this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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.

Officials from the **Department of Transportation (MoDOT)** assume the proposal would not fiscally impact their agency. In response to a similar proposal from 2010 (SB 776), MoDOT assumed the proposal (Section 523.040) could delay projects and potentially cause some projects to be halted from continuing toward construction. If for any reason MoDOT must condemn real property in a county where there does not exist at least a real estate broker and state-licensed or state-certified appraiser willing to serve on a condemnation commission panel the condemnation action would be delayed or even halted from continuing. In some rural counties this may very well be the case. However, MoDOT states this proposal is much more narrow in scope (limited to St. Louis City, St. Louis County, and Jackson County) than last year's and would not create a fiscal impact.

Officials from the **Joint Committee on Public Retirement** state the proposal would not create a 'substantial proposed change' in future plan benefits as defined in Section 105.660(10). Therefore, no actuarial cost statement is required.

Officials from **St. Louis County** and **Boone County** each assume the proposal would not have a fiscal impact on their county.

Sections 84.345 - 84.349 - St. Louis metropolitan police force;

Officials from the **Attorney General's Office** state Sections 84.345, et seq., of the proposal allows the City of St. Louis to establish local control of its police force. Officials from the Office of the Attorney General assume that there would be cost savings to General Revenue through removal of Legal Expense Fund (LEF) coverage of successful claims against St. Louis Board of Police Commissioners. The amount of such savings is unknown and depends upon the number and amount of judgements and settlements.

In response to a similar proposal from this year (HB 71), officials from the **Police Retirement System of St. Louis** assumed there will be no fiscal impact to their agency.

ASSUMPTION (continued)

In response to a similar proposal from 2010 (HB 1601), officials from the **City of St. Louis** stated that this will allow the City to combine a variety of administrative functions now carried out independently by the Police Department with functions of the same type also carried out by the City. These functions include emergency dispatch, accounting and budgeting, information technology, printing, and facility's management, among others. In addition, it will be possible to eliminate administrative functions now carried out by the Police Department that will no longer be necessary, these include expenses related to the Board of Police Commissioners. Further, the City could save future costs of providing lifelong health insurance benefits for present and former police commissioners, since we are not privy to the number of former police commissioners for whom this benefit is now provided, it is not possible to estimate these savings.

The following is an itemized list of estimates of potential savings the City of St. Louis could incur with local control of the St. Louis Police Department:

- Emergency Dispatch - Savings to be determined
- Board of Police Commissioners - \$255,029
- Human Resources - \$767,305
- Information Technology - \$1,327,067
- Legal Services - \$205,333
- Internal Audit - \$103,874
- Budget Division - \$559,043
- Microfilm - \$103,850
- Supply Division - \$191,928
- Multigraph - \$302,139
- City Emergency Management Agency - \$294,862
- Facilities Management - \$210,453
- Equipment Services - \$192,182
- Municipal Garage - \$167,831
- Public Information - \$229,116

Officials estimated that the City will save approximately \$4.4 million from the elimination of duplicative and unnecessary administrative functions that local control will make possible. This estimated savings is approximately 1% of the City's current \$454 million general revenue budget. The City can use administrative savings realized to improve public safety and other direct services for our citizens. Note that this estimated amount is based on a number of assumptions that may or may not prove to be correct: actual savings may be less or may be more than our estimate as we work with Police department staff to combine functions and achieve other efficiencies while enhancing public safety-related police services. The City's ability to

ASSUMPTION (continued)

estimate potential savings is hampered at present by a lack of detailed cost and function data from the Department.

In addition, officials believed additional savings are possible: the Police Department purchased an accounting/payroll system at what officials understand was a cost of several million dollars that could address a major unmet City technology need, if the City can take advantage of this system, it will avoid the cost of independently purchasing a similar system, allowing the City to reduce personnel costs through attrition. Further, the officials believed that judicious and enhanced use of technology can also eliminate a significant portion of the personnel costs associated with reporting and other City and Police administrative functions.

Officials also stated that with the exception of the elimination of the one (1) commissioned officer who works for the Board of Police Commissioners, officials have not suggested that any savings can be achieved by eliminating uniformed officers. All existing uniformed officers need to be retained for the safety of our residents, workers, businesses and visitors. Those uniformed officers now engaged in functions that duplicate City administrative functions can be redeployed in activities that directly contribute to public safety. In that regard, the administrative efficiencies made possible by the proposed amendments can help improve public safety in the City because more police officers can be available to provide direct public safety services. This in turn, will provide additional positive City fiscal impact, although it is also not possible to calculate the monetary value of this impact: more police officers “on the street” will improve both the perception and reality of safety in the City and attract more residents, workers, businesses and visitors that enhance the City’s revenue base. Using the saving achieved from eliminating duplicative administrative functions to improve public safety and other services for our residents and businesses will have a similar positive fiscal impact, as will the fact that the City’s police department will be an integral part of its government, like other police departments across the United States.

**Oversight** assumes there would be some cost savings to the City of St. Louis by the elimination of duplicate functions that are carried out independently by the Police Department and the City. The City of St. Louis acknowledges in their response that actual savings may be less or may be more than the estimate states. Therefore, Oversight will reflect a positive unknown fiscal impact to the State Legal Expense Fund and to local government.

Section 301.130 - DOR may issue 2<sup>nd</sup> licence plate;

Officials from the **Department of Transportation** concur with the Department of Revenue regarding this section.

ASSUMPTION (continued)

Officials from the **Department of Revenue (DOR)** assume procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 12.

The DOR website will need to be updated to include information regarding the second plate option. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 12. DOR estimated total cost for FTE in FY 12 to be \$1,023.

**Oversight** assumes DOR could absorb the minimal costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

DOR assumes the second plate will be ordered at the time of application if requested by the customer.

There are currently 213,108 registered commercial motor vehicles in excess of 12,000 lbs. DOR assumes that 10%, or 21,311, of these registrants will want the second plate. The cost to DOR for the second plate will be \$1.43 with an overall cost to General Revenue of \$25,396 in FY 12, \$31,237 in FY 13, and \$32,018 in FY 13.

OA-ITSD (DOR) would need to update the Title and Registration Intranet Processing System (TRIPS) to allow for the issuance of a second plate to commercial motor vehicles in excess of 12,000 lbs as well as charge the \$15 for that second plate. The IT portion of the fiscal impact is estimated with a level of effort valued at \$6,360 based on 240 FTE hours.

**Oversight** assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

DOR assumes that by giving property-carrying commercial motor vehicle owners the ability to obtain two license plates instead of one and by charging \$15 for that plate there will be an increase in revenue to the Highway Fund.

- There are currently 213,108 registered commercial motor vehicle in excess of 12,000 lbs.
- DOR assumes that 10%, or 21,311, of these registrants will want the second plate issued in FY 11 resulting in an increase in revenue of \$266,388 in FY 12 (10 months), 319,665 in FY 13, and \$319,665 in FY 14 that is constitutionally distributed as follows:

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ASSUMPTION (continued)

	<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>
75% - Highway Fund	\$ 199,791	\$ 239,749	\$ 239,749
15% - Cities	\$ 39,958	\$ 47,949	\$ 47,949
10% - Counties	\$ 26,639	\$ 31,967	\$ 31,967

**This proposal could increase Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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**GENERAL REVENUE**

<u>Cost</u> - Department of Revenue - Plate cost (Section 301.130)	<u>(\$25,396)</u>	<u>(\$31,237)</u>	<u>(\$32,018)</u>
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<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$25,396)</u></b>	<b><u>(\$31,237)</u></b>	<b><u>(\$32,018)</u></b>
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**HIGHWAY FUND**

<u>Income</u> - Increase in fees (Section 301.130)	<u>\$199,791</u>	<u>\$239,749</u>	<u>\$239,749</u>
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<b>ESTIMATED NET EFFECT ON HIGHWAY FUND</b>	<b><u>\$199,791</u></b>	<b><u>\$239,749</u></b>	<b><u>\$239,749</u></b>
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**STATE LEGAL EXPENSE FUND**

<u>Savings</u> - Legal Expense Fund The City of St. Louis would be responsible for all legal judgements (Sections 84.345 - 84.349)	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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<b>ESTIMATED NET EFFECT ON THE STATE LEGAL EXPENSE FUND</b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Savings</u> - City of St. Louis Eliminating duplicate functions that are carried out by both the City and the Police Department (Sections 84.345 - 84.349)	Unknown	Unknown	Unknown
<u>Income</u> - Cities - Increase in fees (Section 301.130)	\$39,958	\$47,949	\$47,949
<u>Income</u> - Counties - Increase in fees (Section 301.130)	<u>\$26,639</u>	<u>\$31,967</u>	<u>\$31,967</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$66,597 to Unknown</u></b>	<b><u>\$79,916 to Unknown</u></b>	<b><u>\$79,916 to Unknown</u></b>

FISCAL IMPACT - Small Business

Small businesses with property-carrying vehicles would incur a cost if they elect to get the second license plate for their vehicles.

FISCAL DESCRIPTION

Sections 84.345 - 84.349 - St. Louis municipal police force - Currently, the state oversees the police force for the City of St. Louis through the St. Louis Board of Police Commissioners. This bill allows the city to establish and maintain a municipal police force under its own authority and provides for the employment of the officers and employees of the current police force and the continuation of their salaries, benefits, and pension plan, as well as the continuation of any regulations regarding residence. Any retired officers must maintain their accrued benefits. Provisions relating to the board will expire upon the effective date of the bill.

FISCAL DESCRIPTION (continued)

Section 301.130 - license plate issuance - This allows an applicant registering any property-carrying commercial vehicle weighing 12,000 pounds or more to request and be issued two license plates for the vehicle. The Department of Revenue may assess and collect an additional fee for the additional plate in an amount not to exceed the fee for a personalized license plate.

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 the State Courts Administrator  
Department of Transportation  
Department of Economic Development  
Department of Insurance, Financial Institutions and Professional Registration  
Office of the Attorney General  
Department of Corrections  
Department of Public Safety  
Office of Prosecution Services  
State Tax Commission  
Office of the Secretary of State  
Department of Revenue  
Joint Committee on Public Employee Retirement  
Boone County  
St. Louis County  
City of St. Louis  
Police Retirement of St. Louis



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April 29, 2011