

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0200-02  
Bill No.: Perfected HCS for HB 169  
Subject: Attorneys; Cities, Towns and Villages; Counties  
Type: Original  
Date: April 2, 2013

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Bill Summary: This proposal changes the laws regarding county contribution to the Prosecuting Attorneys and Circuit Attorneys' Retirement System Fund.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
MODEX Fund	\$426,402	\$511,683	\$511,683
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$426,402</b>	<b>\$511,683</b>	<b>\$511,683</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</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 2014</b>	<b>FY 2015</b>	<b>FY 2016</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 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Local Government</b>	<b>\$426,402</b>	<b>\$511,683</b>	<b>\$511,683</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Prosecutor's and Circuit Attorney's Retirement System (PACARS)** state the amendments to section 56.807.5 makes the payments from the general revenues of the respective counties respond to the funded ratio of the assets and liabilities of PACARS, as determined by its actuaries. As such, the amendatory language operates to assure that PACARS is neither over funded nor underfunded. Thus, the system will be able to pay its pension liabilities as provided by law without concern that the funding mechanisms will result in excess funds in the system.

The amendment to sections 56.807.7 and 488.026 respond to the reduction in funding to PACARS which has resulted from the migration of counties to the Fine Collection Center in the recent past. As such, this amending language replaces a revenue stream which had previously guaranteed PACARS' ability to pay its pension liabilities as they arose. Taken together with the amendments to 56.807.5, the fiscal impact of the proposed legislation would secure PACARS' ability to pay its pension obligations as defined by law.

Officials from the **Joint Committee on Public Retirement** state that based on information provided by Office of the State Courts Administrator (CTS) in 2012, provisions included in this proposal would increase the surcharge contribution to PACARS. The estimated revenue as provided by the CTS of the inclusion of the \$4 fee paid to the fine collection center would be approximately \$611,988.00. Depending on the PACARS annual actuarial valuation and the resulting funded ratio, the county monthly contribution may be adjusted. The current funded ratio of 99% would allow for current monthly contribution levels to remain unchanged.

Officials from the **Office of Prosecution Services** assume the current proposal would not fiscally impact their agency.

Officials from the **Office of the State Courts Administrator** state that based on the data for the past five years, FY 08 through FY 12, they assume that the average is approximately 131,369 fine collection center cases on which this \$4.00 surcharge could be applied. The department anticipates the revenue from a \$4.00 surcharge would be approximately \$525,476 in any given year.

ASSUMPTION (continued)

MODEX Amendment

In response to similar legislation filed this year (HB 86), officials from the **Office of the State Courts Administrator (CTS)** state the proposed legislation allows charges for cases disposed of by a traffic violations bureau and distributes the proceeds to MODEX and inmate security funds and creates the MODEX fund.

Based on FY 2012 data, there were approximately 170,561 traffic cases on which the \$6.00 surcharge could be applied. CTS anticipates the MODEX revenue from the surcharge would be approximately \$511,683 (170,561 x \$6 / 2) in any given year, with an equal amount going to the counties' inmate security funds.

In response to similar legislation filed this year (HB 86), officials from the **Department of Public Safety - Missouri Highway Patrol, Office of the State Treasurer** and the **Department of Corrections** each assumed this proposal would not fiscally impact their respective agencies.

With an August 28, 2013, effective date, **Oversight** will reflect 10 months of activity in FY 2014.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>MODEX FUND</b>			
<u>Income</u> - one-half of \$6 surcharge for infractions processed through the traffic violations bureau	<u>\$426,402</u>	<u>\$511,683</u>	<u>\$511,683</u>
<b>ESTIMATED NET EFFECT TO THE MODEX FUND</b>	<b><u>\$426,402</u></b>	<b><u>\$511,683</u></b>	<b><u>\$511,683</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>LOCAL GOVERNMENT</b>			
<u>Revenue</u> -Increase in surcharge contribution to Prosecuting Attorneys and Circuit Attorneys Retirement System	\$437,897	\$525,476	\$525,476
<u>Income</u> into the counties' inmate security fund from one-half of \$6 surcharge for infractions processed through the traffic violations bureau	\$426,402	\$511,683	\$511,683
<u>Expense</u> - Surcharge contribution to Prosecuting Attorneys and Circuit Attorneys Retirement System	<u>(\$437,897)</u>	<u>(\$525,476)</u>	<u>(\$525,476)</u>
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENT</b>	<b><u>\$426,402</u></b>	<b><u>\$511,683</u></b>	<b><u>\$511,683</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Currently, each county treasurer must transfer a specified sum of money each month to the Prosecuting Attorneys and Circuit Attorneys' Retirement System Fund for use by the fund.

Beginning August 28, 2013, the county contribution must be adjusted in accordance with the following schedule based on the retirement system's actuarial valuation report:

- (1) If the system's funding ratio exceeds 120%, no monthly sum must be transmitted;
- (2) If the system's funding ratio is between 111% to 120%, the monthly sum transmitted must be reduced 50%;
- (3) If the system's funding ratio is between 90% and 110%, the monthly sum transmitted must remain the same;

FISCAL DESCRIPTION (continued)

- (4) If the system's funding ratio is between 80% and 89%, the monthly sum transmitted must be increased 50%; and
- (5) If the system's funding ratio is less than 80%, the monthly sum transmitted must be increased 100%.

Currently, a surcharge of \$4 is assessed and collected in all criminal cases filed in court, including any violation of a county ordinance or any violation of the state's criminal or traffic laws, including infractions. The proposal adds any person who has pled guilty and paid a fine through a fine collection center to the list of those who are to be assessed the surcharge.

Currently, law enforcement officers are allowed to charge for their services rendered in criminal cases and in all contempt or attachment proceedings except for cases disposed of by a traffic violations bureau. This bill removes that exception and allows them to also charge for cases disposed of by a traffic violations bureau. However, charges from cases disposed of by a traffic violations bureau must be distributed so that one-half of the charges collected are deposited into the newly-created MODEX Fund for the operational cost of the Missouri data exchange (MODEX) system and one-half of the charges collected are deposited into the inmate security fund of the county or municipal political subdivision where the citation originated. If the county or municipal political subdivision has not established an inmate security fund, the funds must be deposited in the MODEX Fund.

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 Corrections  
Joint Committee on Public Retirement  
Missouri Highway Patrol  
Office of Prosecution Services  
Prosecuting Attorneys and  
Circuit Attorneys' Retirement System  
Office of the State Courts Administrator  
Office of State Treasurer



Ross Strobe  
Acting Director  
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