

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 8143**  
**BILL NUMBER: SB 490**

**DATE PREPARED:** Feb 8, 2001  
**BILL AMENDED:** Feb 8, 2001

**SUBJECT:** Salary Matrix for Excise Police Officers.

**FISCAL ANALYST:** John Parkey  
**PHONE NUMBER:** 232-9854

**FUNDS AFFECTED:**  **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill provides that the salary matrix for excise police officers must have parity with the salary matrices prescribed for conservation officers of the Department of Natural Resources. The bill provides that the matrix shall be funded from the state General Fund.

**Effective Date:** (Amended) July 1, 2001.

**Explanation of State Expenditures:** (Revised) The parity provision of this bill will increase the personnel costs of the Alcoholic Beverage Commission (ABC) by \$189,713 in FY 2002 and \$187,380 in FY 2003. These estimates include the salary increases necessary for the excise police to achieve pay parity with conservation officers and the subsequent increase in fringe and retirement benefit costs. Fifty-five officers would be affected by this proposal. The average yearly salary of the officers would increase by approximately \$2,900.

**Projected Costs Associated with Providing Salary Parity to  
Excise Officers**

	<b>FY 2002</b>	<b>FY 2003</b>
Current Salary Matrix	\$2,504,527	\$2,543,905
Proposed Salary Matrix	\$2,694,240	\$2,731,285
<b>Total Increase</b>	<b>\$189,713</b>	<b>\$187,380</b>

Note: Costs include salary, fringe benefits, and retirement benefits.

The above estimates are based on the assumption that the officer salary level corresponds with the number

of years of service. Years of service are based on the officer's anniversary from the date of hire. The cost estimates are also based on the assumption that all current officers will continue their employment through the respective fiscal years.

Costs associated with fringe and retirement benefits are based on 18.16% of the officers' salary.

This bill does not make an appropriation. The funds necessary for this proposal will come from appropriations made by the General Assembly for this purpose.

**Explanation of State Revenues:** Officers' additional income would be subject to the state income tax at the rate of 3.4%. Based on the estimated increase in salaries, the state would collect an additional \$5,400 in income taxes in both FY 2002 and FY 2003. Similarly, if half of the additional income is used to purchase taxable items, the state would collect an additional \$4,000 in sales taxes in FY 2002 and FY 2003.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Counties with a local option income tax may experience a minimal increase in income tax revenue.

**State Agencies Affected:** Alcoholic Beverage Commission; State Budget Agency.

**Local Agencies Affected:**

**Information Sources:** State Personnel Tables; Alcoholic Beverage Commission; Department of Natural Resources.