



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

February 15, 2023

Honorable Chuck Hufstetler
Chairman, Senate Finance Committee
121-C State Capitol
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
Senate Bill 56 (LC 43 2640)

Dear Chairman Hufstetler:

This bill would create a deferred compensation plan for eligible county tax commissioners as defined by the bill. The Employees' Retirement System (ERS) would administer the plan, and the state would make matching contributions of up to 5% of the minimum annual salary for commissioners found in O.C.G.A. § 48-5-183.

The bill would have one-time costs to the state for implementation, as well as ongoing annual contributions to the deferred compensation plan.

- *One-time costs* – ERS estimated \$95,000 - \$125,000 for a contracted service provider to create the new retirement system. This includes information system coding and testing to ensure accurate vesting and employer matching rules.
- *Ongoing costs* – The estimated annual state maximum contribution is \$548,000. This would be required if all 159 tax commissioners participated and contributed 5% of the minimum salary to the fund.

It is unclear from ERS data how many current tax commissioners are active ERS members and, therefore, ineligible for the benefits of this bill. However, no tax commissioner has joined since new entry was limited July 1, 2012.

There are additional factors that may increase the cost of implementing this bill but are unknown at this time. These are described below.

- The one-time cost estimate assumes that the contractor can systematically apply an indicator that would identify the population of tax commissioners and apply the appropriate match. However, the contractor advised that if creating an indicator for the target population does not work as planned, then the alternative approach would involve creating a second record for each tax agency which is more cumbersome and will result in a higher cost than shown above.

Respectfully,



Greg S. Griffin
State Auditor



Kelly Farr, Director
Office of Planning and Budget

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