

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1242-08  
Bill No.: HCS for SCS for SB 253  
Subject: Education, Elementary and Secondary: Elementary and Secondary Education Department; Boards, Commissions, Committees, Councils; Elections; Kansas City  
Type: Original  
Date: April 27, 2009

Bill Summary: This proposal modifies several provisions relating to elections

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(Unknown - Greater than \$15,792 or \$1,215,792)	(Unknown - Greater than \$15,792 or \$1,215,792)	(Unknown - Greater than \$15,792 or \$1,215,792)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown - Greater than \$15,792 or \$1,215,792)</b>	<b>(Unknown - Greater than \$15,792 or \$1,215,792)</b>	<b>(Unknown - Greater than \$15,792 or \$1,215,792)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<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 17 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Federal Funds	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</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 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Local Government</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>	<b>Unknown to (Unknown)</b>

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## **FISCAL ANALYSIS**

### ASSUMPTION

Officials from the **Missouri Ethics Commission, Department of Public Safety-Office of the Director, Department of Revenue, Department of Transportation, Office of Administration - Administrative Hearing Commission, Missouri Veterans Commission, Department of Economic Development,** and the **Office of Lieutenant Governor** state this proposal will have no fiscal impact on their respective agencies.

Officials from the **Office of Administration - Division of Budget and Planning** state this proposed legislation should not result in additional costs or savings to their division.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. 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 this fiscal note to the SOS for Administrative Rules is less than \$2,500.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials at the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

*§26.016, 27.015, 28.190, 29.280, 30.060, 30.080, 105.030, 105.040, and 105.050 - provides for special elections to fill vacancies in the offices of Lieutenant Governor, Attorney General, Secretary of State, State Auditor, and State Treasurer*

Officials at the **Office of the Secretary of State** assume if a special election is called rather than being voted on at a general election, the cost of the special election has been estimated to be \$1.2 million based on the cost of the past two such elections.

Officials at the **Office of the State Auditor, Office of the Lieutenant Governor, Office of the State Treasurer** and the **St. Louis County** assume that there is no fiscal impact from this proposal.

ASSUMPTION (continued)

Officials at the **Cass County** assume some fiscal impact depending on when the special election is held. If it is held at a normal election date, but in an off-year, there would be some fiscal impact. Cass County assumes an unknown impact.

Officials at the **Clinton County** assume election costs due to filling vacancies.

**Oversight** assumes that if a special election is needed to fill one of the vacant statewide office holders positions then the election would cost \$1.2 million. If no election is needed then there is no cost. Oversight has shown this as "\$0 or \$1.2 million".

§53.010 - Requires county assessors to be residents of the county for six months prior to election or appointment

Officials at the **Office of the Secretary of State** assume no fiscal impact from this section.

Officials from **Cass County, Clinton County** and the **Kansas City Board of Election Commission** assume that there is no fiscal impact from this section.

§60.010, 78.090, 115.124, 115.350, 115.635, and 115.637 - Requires elections under certain circumstances

Andrew Jackson Voting Restoration Act

In response to similar legislation filed this year, HB 173 (FN 755-01), the following local political subdivisions responded as follows:

Officials at the **PWSD#2 of St. Charles County** assume they would be required to pay for an election that might not otherwise be necessary costing the district \$50,000 to \$60,000 per year.

Officials at the **Hillsboro Fire Protection District** and the **Creve Coeur Fire District** assume an unknown cost for the elections.

ASSUMPTION (continued)

Officials at the **Nixa Fire Protection District** assume the fiscal impact would be the cost paid for an election that would not be necessary because only one candidate filed for this position. The following expenses were paid by the district when more than one candidate was on the ballot and could be saved if only one candidate had been on the ballot:

1999	\$2,642
2001	\$2,611
2002	\$3,652
2009	\$5,000 (budgeted amount)

Officials at the **DeSoto Rural Fire Protection District** assume costs as follows:

2010	\$8000
2011	\$8,500
2012	\$9,000

Officials at the **Cass County** assume a cost of \$45,000 a year.

Officials at the **Taney County** assume an unknown cost for the system upgrades.

Officials at the **Buchanan County** assume additional costs of \$20,000 per year.

Officials at the **City of West Plains** assume an unknown costs for the additional elections.

**Oversight** assumes this proposal removes the provision that allows no election to be held when the number of candidates equal the number of seats to be filled. Oversight assumes by removing this provision, in nonpartisan elections or in any political subdivision or special district election the entity would have to hold the election, thereby generating election costs.

**Oversight** cannot determine the number of elections or their costs this proposal would affect. **Oversight** will show fiscal impact as unknown to certain political subdivisions, or special districts. **Oversight** assumes no state fiscal impact.

*§115.278 - Requires the Secretary of State to establish a method to allow members of the military and their families to vote on the Internet*

Officials at the **Missouri Veterans Commission, Department of Public Safety's Director's Office** and the **Office of the Adjutant General/Missouri National Guard** assume that there is no fiscal impact from this proposal.

ASSUMPTION (continued)

Officials at the **Office of the Secretary of State (SOS)** are unable to determine a specific cost due to the limited data available for internet voting. Based on the research SOS has conducted, there are very few entities using similar technology. The two most prominent entities that provide internet voting are Australia and Okaloosa County, Florida.

Okaloosa County implemented a pilot project for overseas voters in 2008. This program cost over \$400,000 and had 93 voters use the system, at a cost of approximately \$4,300 per vote. In Australia, a system was implemented that cost approximately \$1.1 million. There were about 1,511 ballots cast using this system at \$728 per voter.

In the November 2008 general election, there were 7,912 Missouri overseas military ballots cast.

This proposal requires SOS to provide voter education information to overseas voters. Based on the voter education information provided to overseas voters prior to the 2008 General election, this requirement could cost \$15,792.

\$1.05 per poster x 500=\$525

\$1.00 per mailer x 15,267 military and overseas voters =\$15,267

Officials at the **St. Louis County Board of Election Commission** assume the impact of this bill would be in two areas: 1) local ballot tabulation software vendor would have to upgrade its software to interface with a state-approved internet voting software provider. This upgrade would probably be apportioned amongst that vendor's current Missouri client counties and boards; 2) there would be an additional level of coding involved in setting up ballots for those in federal service under this act. It is the experience of the Board of Elections that additional election coding of this nature is always extremely labor intensive.

**Oversight** assumes that the Office of the Secretary of State could incur costs associated with establishing a system that allows members of the military to vote via the internet. **Oversight** assumes that those costs are unknown and would be paid by general revenue and federal funds. **Oversight** has shown the costs as unknown.

Officials at the **Platte County Board of Election Commission, City of Centralia, City of Kansas City** and the **St. Louis County** assume that there is no fiscal impact from this proposal.

Officials at the **Cass County** assume increased costs of \$300,000 due to internet voting and having elections when the number of candidates equal the number of seats.

ASSUMPTION (continued)

§67.456, 67.1401, 67.1421, 67.1451, 67.1461, 67.1521, 67.1545, 67.1551, 238.202, 238.208, 238.216, 238.220, 238.235, 238.257, and 238.275 - Modifies provisions relating to Neighborhood Improvement Districts, Community Improvement Districts, and Transportation Development Districts

Officials from the **Department of Economic Development, Department of Revenue** and the **State Tax Commission** assume the proposal would not fiscally impact their respective agencies.

In response to a similar proposal from 2008 (HB 2483), officials from **St. Louis County** assumed the proposal would not fiscally impact their respective agencies.

**Oversight** assumes the proposal would not have a fiscal impact to the state or to local political subdivisions.

§162.492 - Requires that vacancies for Kansas City school board members be filled by special election rather than by appointment

Officials from the **Department of Elementary and Secondary Education** and the **Office of Secretary of State** assume this section of the proposal will have no fiscal impact on their respective agencies.

Officials from the **Kansas City Board of Elections** have determined that a single issue election for the Kansas City Missouri School District would cost approximately \$200,000.

**Oversight** assumes the proposal calls for a special election to fill vacancies on the school board; therefore, the Kansas City Missouri Public School District would be responsible for the costs of the special election if such a vacancy should occur. A special election would be only held if a vacancy occurs more than six months prior to the next general municipal election; otherwise, the position would be filled at the next general municipal election, reducing potential election costs to the Kansas City Missouri Public School District.

**Officials from the Kansas City Missouri Public School District did not respond to a request for fiscal note.**

§105.966 - Ethics commission complaint investigations

Officials from the **Missouri Ethics Commission** state this section of the proposal will have no

ASSUMPTION (continued)

fiscal impact on their agency.

§137.073 - Authorizes citizens to petition to lower tax rate ceilings of political subdivisions

Officials from the **Office of the State Auditor** (SAO) assumed a previous version of this proposal (HB 591) would have the potential to increase the number of ballot initiatives that SAO reviews as a part of the property tax certification process. The SAO individually reviews each ballot affecting property tax rates prior to processing. Many ballots require extensive review to determine the meaning and effect on the tax rate ceiling. Given the small size of many political subdivisions, it is probable that many could easily meet the requirement with 10% of voters signing a petition to vote on the tax ceiling. An increase in the number of property tax election ballot initiatives would therefore, result in an increase in the number of ballots we are to review. SAO officials estimate the cost to implement the proposal as one FTE Staff Auditor I Level.

SAO officials provided an estimated cost to implement the proposal including the additional employee and related equipment and expenditures totaling \$51,505 for FY 2010, \$56,438 for FY 2011, and \$58,131 for FY 2012.

**Oversight** assumes there would be only a limited number of such petitions and that the resulting ballot reviews could be performed with existing resources. If unanticipated additional costs are incurred or if multiple proposals are implemented which increase the SAO workload, resources could be requested through the budget process.

Officials from the **Department of Elementary and Secondary Education** noted that a similar proposal (SB 174, LR 966-01) this proposed legislation would restore the authority removed in SB 711 (2008) to allow political subdivisions to use as the authorized tax levy the greater of the rate in effect in 1984 or the most recent voter-approved levy. It would also allow those political subdivisions to levy a rate that will generate revenue in an amount equal to the revenue in 2007 exclusive of any new construction and improvements for 2008 and 2009. School districts would be allowed to use the highest tax rate subsequent to 1980. There would appear to be no fiscal impact for the state in the school foundation formula.

Officials from the **Office of the Secretary of State** assume this proposal could result in a negative impact to a library district's tax revenues. The impact on individual libraries could vary significantly depending on the district's assessed valuation, growth in new construction and the extent to which the tax rate ceiling would be rolled back by the petition.

Officials from the **Metropolitan Community Colleges** (MCC) assumed a previous version of



ASSUMPTION (continued)

this proposal could have a negative impact on their organization. MCC officials stated that lowering their levy rate by one cent would reduce their revenues by \$1.3 million. Officials from **Linn State Technical College, Cass County, St. Louis County,** and the **City of Centralia** assume this proposal would have no fiscal impact on their respective entities.

Officials from the **City of Joplin** assumed a previous version of this proposal could have a severe fiscal impact on cities as a whole.

Officials from the **City of Kansas City** assume this proposal could have a negative fiscal impact on their organization. If the voters were to lower the tax rate ceiling the city would lose approximately \$700,000 per penny of levy reduction.

*§162.1035 - Establishes a procedure by which a school district or an initiative petition may place the issue of open enrollment by contract before voters of the district*

According to officials from the **Department of Elementary and Secondary Education (DESE)**, this proposal does not appear to have a fiscal impact on the state because the cost would be a transferring of revenue from one district to another to pay for the contracted cost of educating the students from their district. DESE assumes this proposal could have a fiscal impact on local public schools since the proposed legislation allows private schools to be contractors and thus public money could be transferred to private schools to education children. The proposal could also have a negative fiscal impact on various school districts where large numbers of students may transfer out.

Officials from the **Francis Howell School District (FHSD)** assume a receiving district could lose funds if the sending district's per pupil weighted average daily attendance is lower than that of the receiving district. FHSD officials did a sample of one district in St Charles County and the difference would be \$1,000 per student. The cost to place the issue on the ballot could cost FHSD approximately \$75,000.

Officials from the **Sikeston School District** assume there would be costs associated with an election and implementation.

**Oversight** assumes election costs would be minimal since the proposal does not require a special election for this issue.

ASSUMPTION (continued)

§162.492 - Requires that vacancies for Kansas City school board members be filled by special election rather than by appointment

Officials from the **Department of Elementary and Secondary Education** and the **Office of Secretary of State** assume this section of the proposal will have no fiscal impact on their respective agencies.

Officials from the **Kansas City Board of Elections** have determined that a single issue election for the Kansas City Missouri School District would cost approximately \$200,000.

**Oversight** assumes the proposal calls for a special election to fill vacancies on the school board; therefore, the Kansas City Missouri Public School District would be responsible for the costs of the special election if such a vacancy should occur. A special election would be only held if a vacancy occurs more than six months prior to the next general municipal election; otherwise, the position would be filled at the next general municipal election, reducing potential election costs to the Kansas City Missouri Public School District.

**Officials from the Kansas City Missouri Public School District did not respond to a request for fiscal note.**

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>GENERAL REVENUE</b>			
<u>Cost</u> - Secretary of State (SOS) - Special election expenses	\$0 or (\$1,200,000)	\$0 or (\$1,200,000)	\$0 to (\$1,200,000)
<u>Cost</u> - SOS - Voting via the Internet (§115.278)	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - SOS - Voter information (§115.278)	<u>(\$15,792)</u>	<u>(\$15,792)</u>	<u>(\$15,792)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Unknown - Greater than \$15,792 or \$1,215,792)</u></b>	<b><u>(Unknown - Greater than \$15,792 or \$1,215,792)</u></b>	<b><u>(Unknown - Greater than \$15,792 or \$1,215,792)</u></b>
<b><u>FEDERAL FUNDS</u></b>			
<u>Cost</u> - SOS - Voting via the Internet (§115.278)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Income</u> - School Districts - Increase in state aid for students transferring into districts under contract (§162.1035)	Unknown	Unknown	Unknown
<u>Savings</u> - School Districts - Decrease in education expenses for students transferring to other schools by contract (§162.1035)	Unknown	Unknown	Unknown
<u>Loss</u> - School Districts - State aid for students who transfer out of the district to other schools by contract (§162.1035)	(Unknown)	(Unknown)	(Unknown)
<u>Revenue reduction</u> - Tax rate limit changes (§137.073)	\$0	(Unknown)	(Unknown)
<u>Revenue reductions</u> - Voter mandated tax ceiling reductions (§137.073)	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> - Levy rate elections (§137.073)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> - School Districts - Education costs for students transferring into districts under contract (§162.1035)	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - Kansas City Public School District - Election costs (§162.492)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> - Certain political subdivisions and special districts - Election costs due to requirement to hold election	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>	<b><u>Unknown to (Unknown)</u></b>

### FISCAL IMPACT - Small Business

This proposal could have an impact on small businesses if the voters successfully petition and vote a lower tax rate. (§137.037)

### FISCAL DESCRIPTION

§26.016, 27.015, 28.190, 29.280, 30.060, 30.080, 105.030, 105.040, and 105.050 - Provides for special elections to fill vacancies in the offices of Lieutenant Governor, Attorney General, Secretary of State, State Auditor, and State Treasurer

Currently, most statewide offices, except for the Office of the Governor, allow for gubernatorial appointments in the case of a vacancy in the office. This proposed legislation requires special elections to be held in the case of vacancies in the offices of the Lieutenant Governor, Attorney General, Secretary of State, State Auditor, and State Treasurer. If there is an impeachment proceeding for one of these officers, the Governor will temporarily administer the duties of the office until the trial; and if there is a conviction, the special election process will be used to fill the vacancy.

§60.010, 78.090, 115.124, 115.350, 115.635, and 115.637 - Requires elections under certain circumstances

Currently, nonpartisan elections in political subdivisions and special districts, except for municipalities, may be canceled if the number of candidates filing for a position is equal to the number of positions available. This proposed legislation establishes the Andrew Jackson Vote Restoration Act which repeals these provisions and requires elections to always be held.

§115.278 - Requires the Secretary of State to establish a method to allow members of the military and their families to vote on the Internet

This proposal requires the Secretary of State to establish and implement a secure and confidential system for allowing members of the armed forces, their spouses, and dependants to vote using the Internet. The program is exempt from the general requirements for automated voting systems in Chapter 115, RSMo.

FISCAL DESCRIPTION (continued)

§137.073 - Authorizes cities to petition to lower tax rate ceilings of political subdivisions

This section changes the laws regarding property taxation and requires tax rate rollbacks by school districts in reassessment years. In its main provisions, proposal:

- (1) Authorizes political subdivisions, for tax year 2009, to levy a property tax rate sufficient to generate as much revenue as was produced in the 2007 tax year, excluding new construction and improvements, as long as the rate does not exceed the greater of the rate in effect for the 1984 tax year or the most recent voter-approved rate;
- (2) Changes the time line for the assessment, levy, and appeal of property taxes for certain counties;
- (3) Allows school districts to levy an operating levy for school purposes required for the current year, less any required adjustments, if the rate does not exceed the highest tax rate in effect after the 1980 tax year;
- (4) Changes the term base year for new homeowners who are approved for the first time after satisfying the three-year ownership requirement for the homestead preservation tax credit so that the base year for the taxpayers will be the year following the first year in which the taxpayer acquired ownership of the homestead. Currently, the homestead exemption limit for the credit is based on the increase in tax liability from the base year to the year prior to the application year for all applications for credits filed between December 31, 2008, and December 31, 2011;
- (5) Adds two alternate members to the St. Louis City Board of Equalization and changes the date on which members must be appointed from the second Monday in May to the first day of July;
- (6) Allows the City of St. Louis and all charter counties to opt-out of the requirement that they must provide taxpayers with notices of projected tax liability for the 2011 reassessment year. The effective date for all other counties for the projected tax liability notice requirement is moved back to January 1, 2013;
- (7) Requires assessors and collectors to submit estimates of their costs to comply with the projected tax liability notice requirement to the State Tax Commission; and
- (8) Authorizes voters to petition for an election to lower the tax rate ceiling of a political subdivision when at least 33% of the registered voters within the taxing authority's boundaries

FISCAL DESCRIPTION (continued)

sign the petition. If at least 66% of the votes cast are in favor of lowering the ceiling, the lowered tax rate ceiling will become effective. The petition to lower the tax rate ceiling cannot include debt service levies.

**There is an emergency clause for this section.**

§162.492 - Requires that vacancies for Kansas City school board members be filled by special election rather than by appointment

This proposal provides that any vacancies that occur on the school board of the Kansas City School District will be filled by special election instead of by appointment by board members. The State Board of Education is responsible for ordering a special election when a vacancy occurs.

§162.1035 - Establishes a procedure by which a school district or an initiative petition may place the issue of open enrollment by contract before voters of the district

This proposed legislation establishes a procedure by which a school district or an initiative petition may place the issue of open enrollment by contract before the voters of the district to become effective the following July 1. A two-thirds majority of the voters is required for approval.

Private schools that meet certain conditions and public schools that are not in the district of residence may become contractors. The proposal specifies how contractors qualify, which students are eligible, how the amount of the contract is to be calculated, when students may return to their district of residence, and how districts may opt out of open enrollment.

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 Economic Development  
Missouri Tax Commission  
Department of Revenue  
Department of Public Safety  
    Office of the Director  
Office of Administration  
    Administrative Hearing Commission  
    Division of Budget and Planning  
Missouri Ethics Commission  
Missouri Veterans Commission  
Missouri National Guard  
    Office of the Adjutant General  
Office of Attorney General  
Office of State Auditor  
Office of Secretary of State  
    Elections Division  
    Administrative Rules Division  
Office of the Lieutenant Governor  
Office of State Treasurer



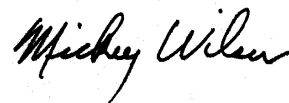
SOURCES OF INFORMATION (continued)

Local Political Subdivisions

Taney County  
Platte County Board of Election Commission  
St Louis County Board of Election Commission  
Kansas City Board of Elections  
Cass County  
DeSoto Fire Protection District  
Nixa Fire Protection District  
Hillsboro Fire Protection District  
Creve Coeur Fire Protection District  
PSWS #2 of St Charles County  
City of Centralia  
City of West Plains  
Buchanan County  
City of Kansas City  
Clinton County  
City of St Louis  
Linn State Technical College  
Metropolitan Community College  
City of Joplin  
Sikeston School District  
Francis Howell School District

NOT RESPONDING

**Kansas City Missouri Public School District**



Mickey Wilson, CPA  
Director  
April 27, 2009