

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0451-01
Bill No.: SB 97
Subject: Auditor, State; Attorney General, State; Governor & Lt. Governor; Boards, Commissions, Committees, Councils; Campaign Finance; Ethics; Secretary of State; Treasurer, State
Type: Original
Date: January 22, 2015

Bill Summary: This proposal modifies the membership and functions of the Ethics Commission and imposes campaign contribution limits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$37,800)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$37,800)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Ethics Commission (MEC)** assume this proposal would implement campaign finance limits. The implementation of the above responsibilities would require the following additional resources:

- \$15,120 in expense and equipment to acquire contract services that would develop the MEC internal search capabilities for oversight of the campaign finance committees' adherence to the specific contribution limits, as established in §105.955.14, RSMo. Current campaign finance data collection would allow the MEC to use search capabilities, providing for a manual review by MEC staff of adherence to the established limits.
- 2 Business Analysts to conduct the routine work necessary in reviewing and providing oversight for the proposed legislation. The Business Analysts would review committee reports for compliance, prepare necessary notices, track the receipt of payment, and coordinate the necessary collection efforts. Currently two Business Analysts assist 2,800 committees in filing campaign finance reports, prepare and disseminate 15,000 notices, and review 11,000 campaign finance reports.
- If the Commission identifies significant violations during the process established in §105.955.14 (2), (3), RSMo or complaints received increase significantly an investigator would be required to provide the proper oversight.

MEC would anticipate that changes or additions to the proposed language set forth in this bill, may require additional associated costs for FTE, equipment, and expenses.

In 2008, Senate Bill 1038 repealed campaign finance contribution limits in Missouri. At that time, the MEC did not reduce its number of FTE due to the cutback in the number of complaints and investigations caused by the campaign limits being repealed. Therefore, **Oversight** assumes the current FTE should be able to handle the increased number of complaints and investigations due to the limits being reimposed. Oversight assumes this proposal has no fiscal impact on the MEC.

Oversight assumes that the MEC has programmers on staff to handle the reprogramming of the computer systems and would not need to contract for these services. MEC did not reduce its programming staff when the campaign limits were repealed with SB 1038 and therefore the current FTE should be able to handle the increased programming responsibilities.

ASSUMPTION (continued)

Oversight assumes that should MEC have a significant increase in complaints, the MEC can seek additional resources through the appropriation process.

Officials at the **Office of the Attorney General (AGO)** assume the extent of the work referred to the AGO will require an additional full time employee as an Investigator.

Oversight assumes that should AGO have a significant increase in cases that necessitate the need for more investigators, the AGO seek additional resources through the appropriation process.

Officials at the **Department of Revenue** assume this proposal outlines the contribution limits authorized according to the individual's elected position. Limitations are from \$2,000 to \$10,000. This proposal further establishes the base year amount as the contribution limits prescribed on January 1, 2016. It requires contributions made before the effective date be reported as a separate account. The candidate and the candidate committee treasurer or deputy treasurer owing a surcharge shall be personally liable for the payment of the surcharge or may pay such surcharge only from campaign funds existing on the date of the receipt of notice. Such surcharge shall constitute a debt to the state enforceable under, but not limited to, the provisions of chapter 143. This will require 504 hours of programming changes for an estimated cost of \$37,800.

Officials from the **Office of the Secretary of State (SOS)** state 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 this fiscal note to the SOS 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, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

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.

ASSUMPTION (continued)

Officials at the **Missouri Senate**, the **Missouri House of Representatives**, the **Office of the Governor**, the **Office of the Lieutenant Governor**, the **Office of the State Treasurer**, and the **Office of the State Auditor** each assume no fiscal impact from this proposal to their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
---	---------------------	---------	---------

GENERAL REVENUE

<u>Costs - Department of Revenue - computer programming</u>	<u>(\$37,800)</u>	<u>\$0</u>	<u>\$0</u>
	<u>(\$37,800)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Under this act, any restriction, rule, or regulation of a homeowners' association that prohibits, or has the effect of prohibiting, the installation of a solar energy system is expressly prohibited.

This act provides that a solar energy system shall meet applicable standards and requirements imposed by state and local permitting authorities.

Under this act, a homeowners' association may adopt reasonable rules and regulations regarding the placement of solar energy systems so long as they do not prevent the installation of the system, impair the functioning of the system, restrict the system's use, or adversely affect the cost or efficiency of the solar energy system. All rules adopted by the homeowners' association shall

FISCAL DESCRIPTION (continued)

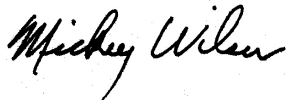
be provided to all members, and shall be made available to prospective owners upon request.

In any judicial proceeding arising under this act, the prevailing party shall be entitled to recover reasonable attorney fees and costs.

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 Lieutenant Governor
Office of the State Treasurer
Office of the State Auditor
Office of the Governor
Department of Revenue
Missouri House of Representatives
Missouri Senate
Office of the Secretary of State
Missouri Ethics Commission



Mickey Wilson, CPA
Director
January 22, 2015

Ross Strobe
Assistant Director
January 22, 2015