

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4231-03
Bill No.: Perfected SS for SCS for SJR 19
Subject: Boards, Commissions, Committees, Councils; Conservation Department;
Constitutional Amendments; Fishing and Hunting.
Type: Original
Date: February 3, 2016

Bill Summary: This proposal modifies the membership composition and terms of service of the commissioners on the Conservation Commission.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	\$0 to (Greater than \$7,100,000)		
Total Estimated Net Effect on General Revenue	\$0 to (Greater than \$7,100,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Conservation Commission	\$0 or Less than (\$25,000)	\$0 or Less than (\$50,000)	\$0 or Less than (\$50,000)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Less than (\$25,000)	\$0 or Less than (\$50,000)	\$0 or Less than (\$50,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Local Government*	\$0	\$0	\$0

*Transfers In and Cost to net zero.

FISCAL ANALYSIS

ASSUMPTION

Senate Amendments 2 and 3

Oversight notes that the agencies have not responded to the fiscal impact to the perfected version of the joint resolution. Oversight notes that Senate Amendment 2 changes the original proposal by reducing the number of additional members from five new members for a total of nine members on the Conservation Commission to two new members for a total of six members on the Conservation Commission. The following assumptions and agency responses were for an additional five members (at a cost of up to \$90,740 per year in additional expenses for the five new commission members); however, due to time constraints, Oversight will assume an additional cost of less than \$50,000 per year for the additional two Commission members. Therefore, Oversight will show the impact for FY17 as \$0 or less than (\$25,000) and for FY18 and FY 19 as \$0 or less than (\$50,000).

Oversight will not show a fiscal impact from Amendment 3 in this fiscal note.

Senate Substitute:

Officials at the **Department of Conservation (MDC)** assume this proposal (SS for SCS for SJR 19) would have a fiscal impact of under \$100,000 because it would double travel and other expenses to MDC.

In response to a similar proposal from 2015 (SJR 1,) MDC noted in FY14 Conservation Commission member expenses were \$22,971; however, this number is lower than the estimated expenses in FY15 because for part of the year there were only 3 members. In FY 13, Conservation Commission member expenses totaled \$25,290. Expenses categories included instate travel, rentals, services, supplies, and other.

Conservation Commission Expenses FY13:

Instate Travel	\$7,850
Rentals	\$1,835
Services	\$1,222
Supplies	\$14,293
<u>Other</u>	<u>\$90</u>
Total	\$25,290

ASSUMPTION (continued)

Oversight notes according to the Office of the State Auditor report “State Flight Operations” issued January 2015, MDC flight costs for the Conservation Commissioners were approximately \$117,000 over 2 years ending June 30, 2013. The State Auditor notes MDC chartered 22 flights. Of those 22 flights, 11 were to provide transportation for Conservation Commission members, former commission members, and MDC employees. The total cost of MDC charter flights for Conservation Commissioners over the same two year period was \$13,900.

Oversight assumes costs up to \$25,290 for the expenses of 5 new Conservation Commissioners based upon the expense costs of the 4 current Conservation Commissioners and the additional costs of a fifth member at-large would be nominal and could be absorbed.

Oversight also assumes the annual flight costs for five additional Conservation Commission members would be based upon the annual flight costs of the current Conservation Commission members. Annual flight costs will be shown up to \$58,500 on state planes and up to \$6,950 for charter flights to the Conservation Commission Fund.

Oversight notes this proposal requires voter approval of the Joint Resolution as well as the appointment and confirmation of the additional Conservation Commission members, costs to the Conservation Commission Fund would begin no earlier than FY17.

Estimated Additional Conservation Commission Expenses in FY17, FY18 and FY19 as follows:

	<u>FY17</u>	<u>FY18 and FY19</u>
Expenses	Up to (\$12,645)	Up to (\$25,290)
State Flights	Up to (\$29,250)	Up to (\$58,500)
<u>Charter Flights</u>	<u>Up to (\$3,475)</u>	<u>Up to (6,950)</u>
Total	Up to (\$45,370)	Up to (\$90,740)

Due to fewer Commission members on the Perfected version of this joint resolution, **Oversight** will range the fiscal impact for FY17 from \$0 (the SJR is not approved by the voters) or up to \$25,000 and from \$0 or up to \$50,000 for FY18 and FY19 for two additional Conservation Commissioners. Also, Oversight notes the information provided by MDC is based on FY13 through FY15 but contends these numbers are still viable to use for estimated costs through FY19 due to the negligible rise in inflation rates from FY13 through FY15.

ASSUMPTION (continued)

In response to a previous version, officials at the **Office of Secretary of State (SOS)** assume each year, a number of joint resolutions that would refer to a vote of the people a constitutional amendment and bills that would refer to a vote of the people the statutory issue in the legislation may be considered by the General Assembly.

Unless a special election is called for the purpose, a joint resolution proposing a constitutional amendment is submitted to a vote of the people at the next general election. Article XII section 2(b) of the Missouri Constitution authorizes the governor to order a special election for constitutional amendments referred to the people. If a special election is called to submit a joint resolution to a vote of the people, §115.063.2, RSMo, requires the state to pay the costs. The cost of the special election has been estimated to be \$7.1 million based on the cost of the 2012 Presidential Preference Primary. This figure was determined through analyzing and totaling expense reports from the 2012 Presidential Preference Primary received from local election authorities.

The SOS is required to pay for publishing in local newspapers the full text of each statewide ballot measure as directed by Article XII, Section 2(b) of the Missouri Constitution and Section 116.230-116.290, RSMo. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2013, at the August and November elections, there were 5 statewide Constitutional Amendments or ballot propositions that cost \$2.17 million to publish (an average of \$434,000 per issue).

In FY 2015, the General Assembly changed the appropriation so that it was no longer an estimated appropriation and the SOS was appropriated \$1.19 million to publish the full text of the measures. Due to this reduced funding, the SOS reduced the scope of the publication of these measures.

In FY 2015, at the August and November elections, there were 9 statewide constitutional amendments or ballot propositions that cost \$1.1 million to publish (an average of \$122,000 per issue). Despite the FY 2015 reduction, the SOS will continue to assume, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. Because these requirements are mandatory, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

ASSUMPTION (continued)

Oversight has reflected in this fiscal note the cost for the state to potentially reimburse local political subdivisions for the cost of having this proposed constitutional change voted on during a special election in fiscal year 2017. This reflects the decision made by the Joint Committee on Legislative Research, that the potential cost of elections should be reflected in the fiscal note. The next scheduled statewide primary is in August 2016 and the next scheduled general election is in November 2016 (FY 2017). It is assumed the subject within this proposal could be on one of these ballots; however, it could also be on a special election called for by the Governor. Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2017.

In response to a previous version, officials at the **Governor's Office** assume there should be no added cost to the Governor's Office as a result of this measure. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be the need for additional staff resources in future years.

In response to a previous version, officials at the **Missouri Senate** and the **Missouri House of Representatives** each assume this proposal will not have a fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Transfer Out</u> - Office of the Secretary of State - reimbursement of local election authorities for election costs if a special election is called	\$0 or (Greater than <u>\$7,100,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	\$0 or (Greater than <u>\$7,100,000</u>)	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u> <u>(continued)</u>	<u>FY 2017</u> <u>(10 Mo.)</u>	<u>FY 2018</u>	<u>FY 2019</u>
---	-----------------------------------	----------------	----------------

CONSERVATION COMMISSION FUND	FY 2017 (10 Mo.)	FY 2018	FY 2019
---	---------------------	---------	---------

Costs - MDC

Additional Five Conservation Commission Members	\$0 or Less than <u>(\$25,000)</u>	\$0 or Less than <u>(\$50,000)</u>	\$0 or Less than <u>(\$50,000)</u>
--	---------------------------------------	---------------------------------------	---------------------------------------

ESTIMATED NET EFFECT ON THE CONSERVATION COMMISSION FUND	\$0 or Less <u>than (\$25,000)</u>	\$0 or Less than <u>(\$50,000)</u>	\$0 or Less than <u>(\$50,000)</u>
---	---	---	---

<u>FISCAL IMPACT - Local Government</u>	<u>FY 2017</u> <u>(10 Mo.)</u>	<u>FY 2018</u>	<u>FY 2019</u>
---	-----------------------------------	----------------	----------------

LOCAL ELECTION AUTHORITIES

<u>Transfer In</u> - Cost reimbursement from the State for special election	\$0 or More than \$7,100,000	<u>\$0</u>	<u>\$0</u>
--	---------------------------------	------------	------------

<u>Cost</u> - Special Election	<u>\$0 or (More than \$7,100,000)</u>	<u>\$0</u>	<u>\$0</u>
--------------------------------	---	------------	------------

ESTIMATED NET EFFECT TO LOCAL ELECTION AUTHORITIES	<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.

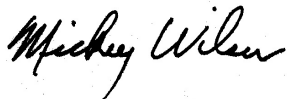
FISCAL DESCRIPTION

Currently, four members comprise the Conservation Commission. Upon voter approval, this proposed constitutional amendment increases the membership to six.

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 Conservation
Governor's Office
Office of Secretary of State
Missouri Senate
Missouri House of Representatives



Mickey Wilson, CPA
Director
February 3, 2016

Ross Strobe
Assistant Director
February 3, 2016