

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0254-03
Bill No.: SCS for SB 389
Subject: Elections
Type: Original
Date: March 3, 2017

Bill Summary: This proposal modifies provisions relating to initiative petitions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	\$0	Up to \$25,000	\$0
Total Estimated Net Effect on General Revenue	\$0	Up to \$25,000	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume this proposal adds a \$500 filing fee for each initiative petition sample that is filed with the Secretary of State's Office, which is to be placed in a trust fund. Any petitions which are certified as sufficient for the ballot will have this fee refunded, with any monies not returned devolving to the general revenue fund.

In the 2016 election cycle, 238 petition samples were filed with the Secretary of State's Office, with four being certified sufficient to the ballot. Based on those numbers, \$117,000 $((238 - 4) \times \$500)$ would have reverted into general revenue had the fee been in place for the 2016 election cycle. It is expected that the introduction of a filing fee may decrease the number of initiative petitions filed, and by extension reduce the amount reverting to general revenue. However, it is difficult to predict the extent of that decrease. For example, even a 50% decrease in filings combined with a doubling in the number of petitions receiving refunds would still have created over \$55,000 in revenue in the 2016 election cycle.

The Elections Division anticipates that this proposal will create new general revenue funds. The exact amount of funds created is difficult to predict, but the SOS estimates up to \$50,000 per election cycle, which covers 2 fiscal years. Since certification for initiative petitions occurs after July 1 in each election year, the funds would be credited to each odd-numbered fiscal year. However, due to the effective date of this bill falling over halfway through the submission window for the 2018 election cycle, the funds generated for FY 2019 will be decreased as a result, but could still reach \$25,000.

Officials from the **Office of the State Treasurer, Office of Prosecution Services, Department of Corrections** and **Office of the State Public Defender** each assume the proposal will have no fiscal impact on their respective organizations.

This proposal will increase **Total State Revenue**.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE FUND			
Revenue - SOS - retained filing fees for initiative petitions that are not certified sufficient to be on the ballot	<u>\$0</u>	<u>Up to \$25,000</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0</u>	<u>Up to \$25,000</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2018 (10 Mo.)	 FY 2019	 FY 2020
	<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

The act requires the font on each page of an initiative petition to be in 14-point Times New Roman.

The act requires the Secretary of State to collect a fee of \$500 for every initiative petition filed. In the event that the petition qualifies for the ballot, the fee shall be refunded, otherwise the fee shall revert to the general revenue.

The act provides a time period for when initiative petitions may be filed. All initiative petitions must be filed between January 31 following each general election and nine months before the election at which the proposed measure is to appear on the ballot.

Under current law, in order to be a petition circulator a person must be at least 18 years of age and also be registered to circulate petitions with the Secretary of State. Under this act, a circulator would additionally be required to reside and be registered to vote in Missouri. Furthermore, every petition circulator shall be required to display an identification badge while circulating petitions. Badges will vary in detail depending upon whether the circulator is a volunteer or if they are compensated.

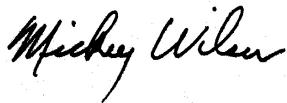
FISCAL DESCRIPTION (continued)

This act makes it unlawful to compensate any petition circulator on a basis related to the number of signatures obtained.

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 Corrections
Office of the Secretary of State
Office of Prosecution Services
Office of the State Public Defender



Mickey Wilson, CPA
Director
March 3, 2017

Ross Strope
Assistant Director
March 3, 2017