

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0558-01
Bill No.: SJR 10
Subject: Constitutional Amendments; General Assembly
Type: Original
Date: January 17, 2017

Bill Summary: This proposal modifies certain constitutional amendments relating to members of the General Assembly.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2018	FY 2019	FY 2020	Fully Implemented (FY 2024)
General Revenue	\$0 or (More than \$7,800,000)	\$0	\$0	\$2,244,395
Total Estimated Net Effect on General Revenue	\$0 or (More than \$7,800,000)	\$0	\$0	\$2,244,395

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2018	FY 2019	FY 2020	Fully Implemented (FY 2024)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2018	FY 2019	FY 2020	Fully Implemented (FY 2024)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2018	FY 2019	FY 2020	Fully Implemented (FY 2024)
General Revenue	0	0	0	(31 FTE) plus (37 General Assembly Members)
Total Estimated Net Effect on FTE	0	0	0	(31 FTE) plus (37 General Assembly Members)

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	Fully Implemented (FY 2024)
Local Government*	\$0	\$0	\$0	\$0

* Potential expenses and reimbursements netting to zero if a special election is called for by the Governor.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri House of Representatives (MHR)** assume this proposal would eliminate 43 MHR members.

- Salaries = $43 \times \$35,915 = \$1,544,345$
- Expense Accounts = $43 \times \$8,400 = \$361,200$
- Session Mileage = 43×268 (average weekly round-trip mileage) $\times \$0.37 \times 19$ (weeks of session) = $\$81,014$
- Session Per Diem = $43 \times \$113.60 \times 70$ (days of session) = $\$341,936$
- Legislative Assistant Salaries = $43 \times \$29,500 = \$1,268,500$

The fiscal impact will not be realized until FY 2023, with the estimated annual savings in today's values of \$ 3,596,955 ($\$1,544,345 + \$361,200 + \$81,014 + \$341,936 + \$1,268,500$).

Officials from the **Missouri Senate (SEN)** assume this proposal would add six members.

- Salaries = $6 \times \$35,915 = \$215,490$
- Staff Salaries = $12 \times \$45,268.50 = \$543,222$
- Fringe Benefits = $\$388,936$
- Session Per Diem = $6 \times \$113.60 \times 70$ (days of session) = $\$47,712$
- Session Mileage = $6 \times \$105 \times 20$ (weeks of session) = $\$12,600$
- Office Allotments = $6 \times \$24,100 = \$144,600$

The fiscal impact will not be realized until FY 2023, with the estimated annual costs in today's values of \$1,352,560. ($\$215,490 + \$543,222 + \$388,936 + \$47,712 + \$12,600 + \$144,600$).

Officials at the **Office of the 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, Joint Resolutions proposing a constitutional amendment are 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.

ASSUMPTION (continued)

If a special election is called to submit a Joint Resolution to a vote of the people, sub-section 115.063.2, RSMo, requires the state to pay the costs. The cost of the special election has been estimated to be \$7.8 million based on the cost of the 2016 Presidential Preference Primary.

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 sections 116.230-116.290, RSMo. The Secretary of State's Office 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 2015, the General Assembly changed the appropriation so that it was no longer an estimated appropriation. In FY 2017 the Secretary of State's Office was appropriated \$2.6 million to publish the full text of the measures. In FY 2017, at the August and November elections, there were 6 statewide Constitutional Amendments or ballot propositions that cost \$2.4 million to publish (an average of \$400,000 per issue).

Therefore, the Secretary of State's Office assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. However, 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 change the amount or eliminate the estimated nature of our appropriation.

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

Officials from the **Office of Administration, Joint Committee on Administrative Rules** and **Office of the Governor** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **City of Columbia, City of Kansas City** and **Callaway County** each assume the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

Oversight has reflected in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having this joint resolution voted on during a special election in fiscal year 2018. 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. There is a general election in November 2018 (FY 2019). It is assumed the subject within this proposal could be on that ballot; 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 2018.

Oversight also notes the 102nd General Assembly will be sworn in January 2023; therefore, the first fully implemented fiscal year will be FY 2024.

<u>FISCAL IMPACT -</u> <u>State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020	Fully Implemented (FY 2024)
GENERAL REVENUE				
<u>Savings</u> - Decreased members of the Missouri House of Representatives	\$0	\$0	\$0	\$3,596,955
<u>Costs</u> - Increased members of the Missouri Senate	\$0	\$0	\$0	(\$1,352,560)
<u>Transfer Out</u> - Office of the Secretary of State - reimbursement of local election authorities for election costs if a special election is called	<u>\$0 or (More than \$7,800,000)</u>	\$0	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2018 (10 mo.)	FY 2019	FY 2020	Fully Implemented (FY 2024)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$0 or (More than \$7,800,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,244,395</u>
Estimated Net FTE Change for General Revenue	0 FTE	0 FTE	0 FTE	(31 FTE) plus (37 General Assembly members)
 <u>FISCAL IMPACT - Local Government</u>	 FY 2018 (10 Mo.)	 FY 2019	 FY 2020	 Fully Implemented (FY 2024)
LOCAL ELECTION AUTHORITIES				
<u>Transfer In</u> - Cost reimbursement from the State for special election	\$0 or More than \$7,800,000	\$0	\$0	\$0
<u>Expense</u> - Cost for special election if called for by the governor	\$0 or (More than <u>\$7,800,000</u>)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO LOCAL ELECTION AUTHORITIES	<u>\$0</u>	<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

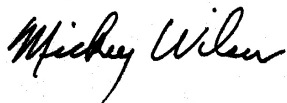
If approved by the voters, this constitutional amendment would change the composition of the General Assembly from 163 representatives and 34 senators to 120 representatives and 40 senators.

Furthermore, it would increase term limits from 8 years to 16 years total in any one house of the General Assembly, and 32 years total in both houses of the General Assembly.

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

Missouri House of Representatives
Missouri Senate
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of the Governor
Attorney General's Office
Office of Administration
City of Columbia
City of Kansas City
Callaway County



Mickey Wilson, CPA
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January 17, 2017

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