

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3271-02
Bill No.: SB 789
Subject: Campaign Finance; Elections
Type: Original
Date: January 21, 2020

Bill Summary: This proposal modifies provisions relating to campaign finance.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Total Estimated Net Effect on General Revenue	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Local Government	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Ethics Commission (MEC)** assume the proposed legislation does not have direct financial impact at this time. Implementation of the proposal would have the following effects on MEC:

- If a significant number of entities were to begin reporting such activity as outlined in 130.047 RSMo, additional analysts would be required to assist in providing filing assistance and review of reports filed with the Commission.
- As outlined in 105.963, reports filed after the deadline are assessed a late filing fee for each day the report was late. The late fees assessed and collected are deposited into the General Revenue Fund.
- If the Commission identifies significant violations during the process established in Section 105.955.14 (2), (3), RSMo, or complaints received increase significantly an Investigator would be required to provide the proper oversight.
- The Commission can, upon finding probable cause a violation exists recommend or agree to monetary penalties as established in 105.961.4, RSMo. The penalties received by the Commission in enforcement actions are forwarded to the appropriate school district.

The Commission 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.

Oversight notes that the proposal could result in possible increase in fees assessed by the MEC. There is no way to determine how many late fees and significant violations that will be collected, if any. Oversight will reflect zero to unknown impact to General Revenue and School districts on the fiscal note.

Officials from the **Office of the Secretary of State** assume the proposal will have no fiscal impact on their organization.

Officials from the **Platte County Board of Elections, Jackson County Election Board, Kansas City Election Board, and St. Louis Board of Elections** each assume the proposal will have no fiscal impact on their organization.

ASSUMPTION (continued)

Oversight notes that the above agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local election authorities were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (6 Mo.)	FY 2022	FY 2023
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GENERAL REVENUE FUND

<u>Income</u> - MEC - late fees assessed on reports filed after deadline	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2021 (6 Mo.)	FY 2022	FY 2023
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SCHOOL DISTRICTS

<u>Income</u> - Penalties received by MEC in enforcement actions	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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NET EFFECT ON SCHOOL DISTRICTS	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act requires all non-profit organizations exempt from taxation under Section 501(c)4 of the Internal Revenue Code to make certain disclosures regarding expenditures for the purpose of electioneering activities by means of covered communications made in the previous calendar year. The act imposes a 48-hour reporting requirement once expenditures or certain contributions exceed \$5,000, in the aggregate. The Ethics Commission is required to assess fees on the board of directors of any covered organization for failure to file any report required by this act.

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 Ethics Commission
Office of the Secretary of State
Platte County Board of Elections
Jackson County Election Board
Kansas City Election Board
St. Louis Board of Elections



Julie Morff
Director
January 21, 2020



Ross Strobe
Assistant Director
January 21, 2020