

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4110-08
Bill No.: Perfected SS#3 for SJR 38
Subject: Constitutional Amendments; Ethics; General Assembly; Redistricting; Sunshine Law
Type: Original
Date: February 4, 2020

Bill Summary: This proposal modifies provisions regulating the legislature to limit the influence of partisan or other special interests.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	\$0 or (More than \$7,800,000)	\$0 or \$100,000	\$0 or \$100,000
Total Estimated Net Effect on General Revenue	\$0 or (More than \$7,800,000)	\$0 or \$100,000	\$0 or \$100,000

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 7 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
General Revenue	0 or <1 FTE>	0 or <1 FTE>	0 or <1 FTE>
Total Estimated Net Effect on FTE	0 or <1 FTE>	0 or <1 FTE>	0 or <1 FTE>

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	\$0	\$0

* Possible transfer out and transfer in net to zero, if put before the voters at a special election

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some of the agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

In response to similar versions of this joint resolution, officials from the **Office of the Secretary of State (SOS)** stated 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. If a special election is called to submit a Joint Resolution to a vote of the people, 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 Secretary of State's office 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. Funding for this item is adjusted each year depending upon the election cycle. A new decision item is requested in odd numbered fiscal years and the amount requested is dependent upon the estimated number of ballot measures that will be approved by the General Assembly and the initiative petitions certified for the ballot. In FY 2014, the General Assembly changed the appropriation so that it was no longer an estimated appropriation.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. The SOS estimates \$65,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

The Secretary of State's office 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

ASSUMPTION (continued)

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.

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 2021. This reflects the decision made by the Joint Committee on Legislative Research, that the cost of the elections should be shown in the fiscal note. The next scheduled statewide primary election is in August 2020 and the next scheduled general election is in November 2020 (both in FY 2021). 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 (on a different date). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2021.

In response to similar versions of this joint resolution, officials from the **Office of the State Auditor**, the **Missouri Senate**, the **Missouri House of Representatives** and the **Governor's Office** each assumed no fiscal impact from this proposal.

In response to similar versions of this joint resolution, officials from the **Office of Administration** stated the Joint Resolution makes numerous changes to the redistricting process including eliminating the post of non-partisan state demographer. As this position is not housed within the Office of Administration, this proposal will not have an impact to our agency.

Officials from the **Office of the State Courts Administrator** state there may be some impact, but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

In response to similar versions of this joint resolution, officials from the **Missouri Ethics Commission (MEC)** stated the provision does not have fiscal impact on the MEC. However, 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. Also, 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.

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

ASSUMPTION (continued)

Oversight notes the Nonpartisan State Demographer position will be eliminated if this joint resolution passes. The Office of Administration lists the annual salary range for a State Demographer as \$52,332 - \$83,436. Oversight notes the following savings (salary plus fringe) to the state would be realized if the Nonpartisan State Demographer is not filled.

	Annual Salary	Fringe Benefits	Total Savings
Low Range	\$52,332	\$29,073	\$81,928
High Range	\$83,436	\$39,506	\$123,776
Salary to reach \$100,000	\$66,000	\$33,658	\$100,658

Oversight also notes this joint resolution would place the responsibilities of the Nonpartisan State Demographer with the house independent bipartisan citizens commission and the senate independent bipartisan citizens commission. Oversight assumes the new independent commissions will incur (and be reimbursed) expenses in redistricting years. Oversight will assume reimbursed expenses of less than \$100,000 in FY 2021 for these commissions.

Oversight will range the potential fiscal impact of not hiring a Nonpartisan State Demographer as \$100,000 for each year, dependent upon the joint resolution being passed by voters. Oversight will also reflect the possibility of reimbursing the commissions of Less than \$100,000 in FY 2021 for their service.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE FUND			
<u>Savings</u> - if the joint resolution is passed by voters, the Nonpartisan State Demographer position is eliminated	\$0 or \$100,000	\$0 or \$100,000	\$0 or \$100,000
<u>Costs</u> - of independent bipartisan citizens commission (if passed by voters)	\$0 or (Less than \$100,000)	\$0	\$0
<u>Transfer Out</u> - SOS - reimbursement of local election authority election costs if a special election is called by the Governor	\$0 or (More than \$7,800,000)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	\$0 or (More than <u>\$7,800,000</u>)	<u>\$0 or \$100,000</u>	<u>\$0 or \$100,000</u>
Estimated Net FTE Change for General Revenue Fund	<u><1 FTE></u>	<u><1 FTE></u>	<u><1 FTE></u>
<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
LOCAL POLITICAL SUBDIVISIONS			
<u>Transfer In</u> - Local Election Authorities - reimbursement of election costs by the State for a special election	\$0 or More than \$7,800,000	\$0	\$0
<u>Costs</u> - Local Election Authorities - cost of a special election if called for by the Governor	\$0 or (More than \$7,800,000)	\$0	\$0
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<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

This constitutional amendment, if adopted by the voters, makes modifications to Article III, regulating the General Assembly; including gift bans, campaign contribution limitations, and redistricting.

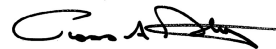
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Missouri Ethics Commission
Missouri House of Representatives
Missouri Senate
Office of Administration
Office of the State Auditor
Office of the Governor
Office of the State Courts Administrator
Office of Administration - Budget and Planning



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February 4, 2020



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