

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3825S.02I
 Bill No.: SJR 38
 Subject: Kansas City; Law Enforcement Officers and Agencies
 Type: Original
 Date: January 10, 2022

Bill Summary: This proposal modifies constitutional provisions relating to funding for the Kansas City Police Department.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue*	\$0 or (More than \$7,000,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	\$0 or (More than \$7,000,000)	\$0	\$0

*The potential fiscal impact of “(More than \$7,000,000)” would be realized **only** if a special election were called by the Governor to submit this joint resolution to voters.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Local Government*	\$0	\$0	\$0

*Transfers and costs net to zero **if** the Governor calls a special election. Also, Oversight assumes potential offsetting increases in appropriations from the City of Kansas City (negative) to the Kansas City Police Department (positive) if this joint resolution is approved by voters **and** statutes are changed (i.e. SB 678).

FISCAL ANALYSIS

ASSUMPTION

Officials from 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. 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 million based on the cost of the 2020 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.

For the FY22 petition cycle, The SOS estimates publication costs at \$70,000 per page. The amount is subject to change based on the number of petitions received, length of those petitions and rates charged by newspaper publishers.

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, the SOS reserves the right to request funding to meet the cost of the 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 2023. 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 2022 and the next scheduled general election is in November 2022 (both in FY 2023). 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 (a different date). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2023.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **City of Kansas City** assume this proposal could have a negative fiscal impact on the City in an indeterminate amount.

Oversight assumes the City could have a negative fiscal impact, but only if the voters adopt the potential language at the next general election or a special election called by the Governor. Therefore, Oversight will reflect a \$0 or unknown costs to the City of Kansas City for this proposal. Oversight will reflect a corresponding increase to the Kansas City Police Department.

Oversight has requested additional information from the Kansas City Police Department regarding their response. Upon the receipt of this information, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note if needed.

Officials from the **Missouri Highway Patrol** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Officials from the **City of Hughesville**, the **City of Springfield**, the **Phelps County Sheriff's Department** and the **St. Louis County Police Department** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight did not receive a response from the **Office of Administration - Budget and Planning** regarding this proposal. **Oversight** has presented this fiscal note on the best current information

that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
GENERAL REVENUE			
<u>Transfer Out - SOS - reimbursement of local election authority election costs if a special election is called by the Governor</u>	\$0 or (More than <u>\$7,000,000</u>)	\$0	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (More than <u>\$7,000,000</u>)	\$0	\$0

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
LOCAL POLITICAL SUBDIVISIONS			
<u>Transfer In - Local Election Authorities - reimbursement of election costs by the State for a special election</u>	\$0 or More than \$7,000,000	\$0	\$0
<u>Costs - Local Election Authorities - cost of a special election if called for by the Governor</u>	\$0 or (More than \$7,000,000)	\$0	\$0
<u>Costs – City of Kansas City – potential costs if the joint resolution passes AND RSMo is changed</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Additional appropriations – Kansas City Police Department – potential increase if the joint resolution passes AND RSMo is changed</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	\$0	\$0	\$0

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

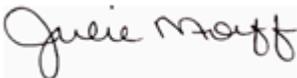
Under current law, the General Assembly cannot require a city to increase an activity or service beyond that required by existing law, unless a state appropriation is made to pay the city for any increase costs.

This proposed Constitutional amendment, if approved by the voters, provides an exception for the establishment of minimum funding for law enforcement agencies so as to prevent the defunding of law enforcement.

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
City of Kansas City
Missouri Highway Patrol
City of Hughesville
City of Springfield
Phelps County Sheriff's Department
St. Louis County Police Department



Julie Morff
Director
January 10, 2022



Ross Strobe
Assistant Director
January 10, 2022