

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0729S.05C
Bill No.: SCS for SB 238
Subject: Campaign Finance; Corporations
Type: Original
Date: April 20, 2023

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue	Could exceed \$53,980	Could exceed \$53,980	Could exceed \$53,980
Total Estimated Net Effect on General Revenue	Could exceed \$53,980	Could exceed \$53,980	Could exceed \$53,980

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 2024	FY 2025	FY 2026
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Ethics Commission (MEC)** assume the the proposed legislation increases the per day assessment amount from \$10.00 to \$20.00. MEC provided the number of reports assessed a fee over the last three fiscal years are as follows:

FY 2020 – 882
FY 2021 – 737
FY 2022 - 575

MEC has averaged the total dollar amount assessed from FY 2022 and FY 2021. In those two fiscal years, they assessed a total average amount of \$53,980 for campaign finance late filed reports. Since the original amount assessed utilized \$10.00 per day, the \$10.00 increase an additional \$53,980. Late fee assessments are deposited into General Revenue Fund. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the estimated impact in the fiscal note.

Oversight will assume an unknown amount of savings to the MEC now not being required to send notices by certified mail as outlined in the proposal.

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.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE FUND			
<u>Savings</u> – MEC – being able to send out notices by means other than certified mail	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue</u> – MEC – increase in late fee assessments	<u>\$53,980</u>	<u>\$53,980</u>	<u>\$53,980</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>Could exceed</u> <u>\$53,980</u>	<u>Could exceed</u> <u>\$53,980</u>	<u>Could exceed</u> <u>\$53,980</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
	<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 act modifies provisions relating to campaign finance.

LATE FEES ON CAMPAIGN FINANCE DISCLOSURE REPORTS (SECTION 105.963)
Under current law, the executive director of the Missouri Ethics Commission is required to charge late fees of \$100 per day for candidate committees and \$10 per day for continuing committees, campaign committees, and political party committees for campaign finance reports required to be filed 8 days prior to an election. This act requires all committees to be charged \$100 per day in late fees for such reports. All other campaign finance reports will be charged a \$20 per day late fee, rather than \$10 per day as required by current law. Such fees shall be increased based on the increase in the cost of living, as provided in the act.

The act additionally allows the executive director of the MEC to notify the candidate or treasurer of a committee by any means, rather than just registered mail, if the committee has failed to file any campaign finance report required by Missouri law.

FOOD AND BEVERAGE (SECTION 130.011)

This act exempts food or beverages provided at an event sponsored by or on behalf of a candidate from the definitions of "in-kind contribution", "contribution", and "expenditure".

INVESTMENTS IN MUTUAL FUNDS (SECTIONS 130.021 AND 130.034)

Current law limits how funds held in committees may be invested. This act permits certain committees to invest in mutual funds.

ITEMIZED EXPENDITURE REPORTING (SECTION 130.041)

Current law requires expenditures of \$100 or less to be itemized on a disclosure report filed with the Missouri Ethics Commission. This act raises the threshold for this requirement to \$200 or less and provides for an increase based on the increase in the cost of living, as provided in the act.

LATE FILING FEES (SECTION 130.056)

The act raises the fine for filing any disclosure report late from \$10 to \$20 and provides for an increase based on the increase in the cost of living, as provided in the act.

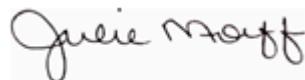
CONTRIBUTIONS BY FOREIGN LLCs (SECTION 347.163)

Under this act, a foreign limited liability company is not considered to be transacting business in this state by reason of making a campaign contribution to any political committee.

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



Julie Morff
Director
April 20, 2023



Ross Strope
Assistant Director
April 20, 2023