

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0917H.12F
 Bill No.: HS for HCS for SS No. 2 for SCS for SB 96
 Subject: Political Subdivisions; Economic Development; Taxation and Revenue - General
 Type: Original
 Date: May 3, 2023

Bill Summary: This proposal modifies provisions relating to voting procedures.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue*	Could exceed (\$5,000,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	Could exceed (\$5,000,000)	\$0	\$0

*Costs could exceed \$5 million in April 2024 (FY 2024) for the state’s proportional share for holding a Presidential Preference Primary Election in combination with the Municipal Election.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
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 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	(Unknown)	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§67.1421 & 238.225 – Special Taxing Districts

In response to a previous version, officials from the **City of Kansas City** stated this proposal could have a negative fiscal impact on Kansas City in an indeterminate amount if the legislation makes it more difficult to establish community improvement districts and thereby impedes economic development.

Oversight assumes this could possibly make it harder to establish a Community Improvement District and/or a Transportation Development District. However, Oversight assumes this to be a potential *indirect* impact and will not show it on the fiscal note.

In response to a previous version, officials from the **Office of Administration - Budget and Planning** assumed 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 for these sections of the proposal.

In response to a previous version, officials from the **Missouri Department of Transportation** and the **City of Springfield** each assumed 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 for these sections of the proposal.

In response to a previous version, officials from the **Department of Commerce and Insurance**, the **Department of Natural Resources**, the **Missouri Highway Patrol**, the **Office of Administration**, the **Platte County Board of Elections**, the **St. Louis County Board of Elections** and the **Joint Committee on Administrative Rules** each assumed 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.

§§115.105, 115.351, 115.758, 115.765, 115.767, 115.770, 115.773, 115.776, 115.785 & 115.904 – Presidential Preference Primary

In response to similar legislation from this year, Perfected HCS for HBs 267 & 347, officials from the **Office of the Secretary of State (SOS)** assumed this bill would reinstate the presidential preference primary (PPP) election which was previously held in March of any presidential election year.

Amounts paid by the state to the counties for proportional costs for the Primary and General elections for 2022 are below. Note: As of 4/18/2023 SOS still has a number of outstanding counties that they are working with to audit and complete any payments or reimbursements.

Primary - \$3,566,001.71
General - \$3,704,696.17

Based on these numbers for a presidential primary to be held in conjunction with an April Municipal Election SOS estimates the state share for a 2024 Presidential Preference Primary to be \$5M to \$10M due to the fact that the primary and general elections include statewide issues and entire county races where a municipal election may include city issues, some school districts plus water, ambulance etc. **Additionally, since turnout would be higher with a presidential election, other political subdivisions may forgo putting any issues on the municipal election which would lead to the state paying for the entire election.**

Further, the municipal elections may not include entire county issues so state share of costs would be depending on what could be included on the ballot. Therefore; the state would be shouldering most of the cost since it would be a statewide election for every county. Election costs continue to rise due to inflation, more cost for election judges and poll workers and election supplies.

Oversight notes section 115.785 states all costs, as specified under 115.065, incurred from a presidential preference primary shall be paid by the state, except that, pursuant to section 115.065, costs shall be shared proportionately by the state and any political subdivisions and special districts holding an election on the same day as any such primary. For any county with more than five hundred polling places, the state shall assist in assuring adequate poll workers and equipment. The payment of election costs is subject to appropriation by the General Assembly. However, if they assume that the presidential preference primary were to be fully appropriated as it has been in years past, SOS anticipates a cost of \$5 million to \$10 million. Oversight has reflected, in this fiscal note, a cost that could exceed \$5 million due to reinstating the requirement to hold a PPP. The next scheduled Presidential Preference Primary election would be in April 2024 (FY24). Therefore, Oversight will reflect a potential election cost for reimbursement to local political subdivisions in FY 2024.

In response to similar legislation from this year, Perfected HCS for HBs 267 & 347, the **Office of the Secretary of State** stated this bill would require SOS to assist in assuring adequate poll workers and equipment for counties containing more than 500 polling places. For the most recent general election held in November 2022, no county claimed to operate more than 500 polling places. However, at least two counties did claim more than 500 precincts at that election, so there may be a potential cost if these counties were forced to open additional polling places. The scope of such potential cost is unknown.

Oversight does not know if particular counties will be operating more than 500 polling places. Therefore, Oversight will also reflect a \$0 to unknown cost to the state for the potential cost of poll workers and equipment for counties containing more than 500 polling places.

In response to similar legislation from this year, Perfected HCS for HBs 267 & 347, officials from the **Platte County Board of Elections** assumed the cost to hold a Presidential Preference Primary in 2020 was \$84,155. The cost to hold a Presidential Preference Primary in 2024 should be near but slightly higher than the 2020 amount.

In response to similar legislation from this year, Perfected HCS for HBs 267 & 347, officials from the **St. Louis City Board of Elections** assumed the cost of a city-wide election runs between \$300,000 and \$400,000.

In response to similar legislation from this year, Perfected HCS for HBs 267 & 347, officials from the **Kansas City Board of Elections** assumed it will cost the State approximately \$650,000 to conduct this election in the Kansas City portion of Jackson County.

In response to similar legislation from this year, Perfected HCS for HBs 267 & 347, officials from the **Greene County Clerk's Office** assumed SOS' costs for March 2020 was \$192,162. The total cost of the March 2020 election was \$266,341. As the State does not pay for machine rental, poll pad rental, and other portions of election costs, the County costs were approximately \$74,178 for the machine rental, poll pad rental, a portion of clerk salary, a portion of ballot supplies.

Oversight will reflect an unknown cost to local election authorities for election expenses (machine rental, poll pad rental, a portion of clerk salary, and a portion of ballot supplies) not covered by state as mentioned above by the Greene County Clerk's Office.

In response to similar legislation from this year, Perfected HCS for HBs 267 & 347, officials from the **St. Louis County Board of Elections** assumed the proposal will have no fiscal impact on their organization.

In response to similar legislation from this year, Perfected HCS for HBs 267 & 347, officials from the **Jackson County Board of Elections** assumed combining a non-partisan General Municipal Election with a partisan Presidential Preference Primary would be burdensome for election officials and confusing for the election judges and voters of the State of Missouri.

Moving the Presidential Preference Primary to April gives it even less meaning than placing it on a March ballot since Super Tuesday will be held March 5th leaving their Presidential Preference Primary meaningless and costly.

Combining the two elections will also cost their local municipalities more in election judge pay, poll rental, and ballot costs. It will quadruple the ballot order to make available party ballots and place a burden on the election judges to manage an already confusing municipal election (split

polls) with added party ballots to distribute. Jackson County could have up to 20 – 30 ballot styles in polling locations.

This is an irresponsible burden for the State to place on local jurisdictions, judges, and election officials to save money.

If the State chooses to bring the PPP back it should not be intermingled with a nonpartisan election.

The costs for their local jurisdictions in the April 2022 General Municipal Election was \$539,762.85. Voter turnout was 14.57%.

The 2020 Presidential Preference Primary cost was \$560,577.19 with a turnout of 27.38%.

ADDITIONAL COSTS ADDED BY COMBINING PPP WITH GENERAL MUNICIPAL ELECTION

Addition Ballot Cost (party ballots)	-	\$36,000.00
Additional Polling Locations	-	\$ 5,100.00
Equipment Rent (which state refuses to reimburse)	-	\$30,000.00
Additional Security (partisan election)	-	\$10,000.00
Additional Election Judges to manage ballot styles	-	\$50,000.00
Additional Election Support for ballot programming-		\$10,000.00
Informational Mailers to Voters Explaining Combination		
of Elections	-	\$156,000.00
Total Additional Costs	-	\$287,100.00

This does not include all other costs the State would share proportionally – estimated to be \$420,000 based on the March 2020 Presidential Primary.

In response to similar legislation from this year, Perfected HCS for HBs 267 & 347, officials from the **Greene County Clerk’s Office** assumed the following:

For the March 2020 election, the SOS cost was **\$192,162.17**. The total cost of the March 2020 election was \$266,340.51. As the State does not pay for machine rental, poll-pad rental, and other portions of election costs, the County costs were approximately \$74,178.34 for the machine rental, poll-pad rental, a portion of clerk salary, a portion of ballot supplies.

For a *rough* estimate for April with a presidential preference, the SOS proportional costs would be **\$108,311.20**. The County costs would be \$36,338.89 for the items that the State does not pay for. However, this does increase the total cost of an April Election to \$415,067.12 from an estimated \$361,710.81. The difference is a rough savings for the State of **83,850.97**.

If you take final costs for the March PPP, **\$266,340.51** and add that to the estimated April election cost, **\$361,710.81** the totals equals **\$628,051.32**. It is roughly anticipated that the combined elections will cost **\$415,067.12**. If you subtract **\$415,067.12** from **\$628,051.32** it equals **\$212,984.20** of savings for taxpayers. More time would be needed to analyze the direct cost savings to the state and any direct cost savings to the local entities.

Oversight assumes combining a non-partisan General Municipal Election with a partisan Presidential Preference Primary will increase cost to local election authorities. There will need to be additional ballots printed, additional polling locations, additional security, staff, and election judges required. Therefore, Oversight will reflect an unknown cost to local election authorities on the fiscal note in FY2024.

Oversight also notes there will be an increase split cost to the entities participating in that election. Oversight has no way to determine how many entities or issues will be on any one particular municipal ballot. Therefore oversight will reflect an unknown cost to local political subdivisions in FY2024.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE FUND			
<u>Cost - SOS §115.785</u> Proportional share of election costs for PPP p. 4	Could exceed (\$5,000,000)	\$0	\$0
<u>Cost – SOS - §115.785 - Additional</u> poll workers and equipment p. 4-5	\$0 to (Unknown)	\$0	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	Could exceed (\$5,000,000)	\$0	\$0

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
LOCAL POLITICAL SUBDIVISIONS			
<u>Revenue Gain</u> - Local Election Authorities - §115.785 reimbursement of election costs for PPP p. 4	Could exceed \$5,000,000		
<u>Cost</u> – Political Subdivision - Proportional share of Municipal/PPP election §§115.123, 115.755 & 115.761 p. 7	(Unknown)	\$0	\$0
<u>Cost</u> – Local Election Authorities Additional printed ballots, polling locations, and staff for combining Municipal and PPP elections §§115.123, 115.755 & 115.761 p. 7	(Unknown)	\$0	\$0
<u>Cost</u> - Local Election Authorities §115.785 - holding PPP election p. 4	(\$10,000,000)	\$0	\$0
<u>Cost</u> – Local Election Authorities Election expenses not covered by State p. 5	(Unknown)	\$0	\$0
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	(Unknown)	\$0	\$0

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

§§115.105, 115.123, 115.351, 115.755, 115.758, 115.761, 115.765, 115.767, 115.770, 115.773, 115.776, 115.785 & 115.904 – Presidential Preference Primary

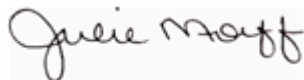
This bill reinstates the presidential preference primary election, to be held statewide on the second Tuesday after the first Monday in April of each presidential election year.

All costs of a presidential preference primary shall be paid by the state, except that, costs shall be shared proportionately by the state and any political subdivisions and special districts holding an election on the same day as any such primary. For any county with more than 500 polling places, the state shall assist in assuring adequate poll workers and equipment.

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
Kansas City
Office of Administration - Budget and Planning
Missouri Department of Transportation
Department of Commerce and Insurance
Department of Natural Resources
Office of Administration
Joint Committee on Administrative Rules
Missouri Highway Patrol
Jackson County Board of Elections
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Kansas City Board of Elections
Greene County Clerk's Office



Julie Morff
Director
May 3, 2023



Ross Strobe
Assistant Director
May 3, 2023