

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2219S.01I
 Bill No.: SJR 41
 Subject: Constitutional Amendments; General Assembly; Property, Real and Personal
 Type: Original
 Date: February 28, 2023

Bill Summary: This proposal creates the Joint Committee on State Security.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue*	\$0 or (More than \$10,000,000)*	\$0	\$0
Total Estimated Net Effect on General Revenue	\$0 or (More than \$10,000,000)*	\$0	\$0

*The potential fiscal impact of “(More than \$10,000,000)” would be realized **only** if a special election were called by the Governor to submit this joint resolution to voters.

Secretary of State has updated the estimated cost of a statewide special election after examining actual reimbursement costs for the General Primary and General Election held during 2022.

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	\$0*	\$0	\$0

*Transfer out and transfer in net to zero **if** the Governor calls a special election.

FISCAL ANALYSIS

ASSUMPTION

Officials from **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 \$10 million based on the cost of the 2022 primary and general election reimbursements.

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 FY24 petitions cycle, the SOS estimates publication costs at \$70,000 per page. This amount is subject to change based on 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 2024. 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 2024 and the next scheduled general election is in November 2024 (both in FY 2025). 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 2024.

Officials from the **Missouri House of Representatives (MHR)** assume no fiscal impact. Since this is a joint committee, the MHR assumes the joint contingent appropriation will cover any reasonable expenses of our members serving on the committee. They defer to the Senate on the impact to that appropriation.

Officials from the **Missouri Senate (SEN)** state they anticipate a negative fiscal impact to the joint contingent appropriation to reimburse 10 legislators for travel to Joint Committee on State Security Meetings. In summary, it will cost approximately \$1,438.25 per meeting.

Oversight assumes the cost of reimbursement of committee members for actual and necessary expenses would not create a material fiscal impact to the state's joint contingent fund.

Oversight notes the SJR allows the Joint Committee on State Security to employ a staff as provided by law. Oversight assumes a separate bill will need to be passed by the General Assembly and approved by the Governor to add a staff. Therefore, Oversight will reflect the potential cost of this staff on the fiscal note for that separate legislation.

Officials from the **Missouri House of Representatives, the Department of Commerce and Insurance, Department of Economic Development, Department of Elementary and Secondary Education, Department of Higher Education and Workforce Development, Department of Health and Senior Services, Department of Mental Health, Department of Natural Resources, Department of Corrections, Department of Labor and Industrial Relations, Department of Revenue, Department of Public Safety, Missouri Highway Patrol, Department of Social Services, Missouri Department of Agriculture, Missouri Department of Conservation, Missouri Department of Transportation, Office of Administration, Office of the State Public Defender, Office of the Governor, Office of the Lieutenant Governor, Office of the State Auditor** each assume the proposal would not fiscally impact their respective agencies.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the Attorney General's Office, the Office of the State Treasurer and the Office of the State Courts Administrator did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
GENERAL REVENUE			
<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 <u>\$10,000,000</u>)*	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (More than <u>\$10,000,000</u>)*	<u>\$0</u>	<u>\$0</u>

*SOS has updated the estimated cost of a statewide special election after examining actual reimbursement costs for the General Primary and General Election held during 2022.

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
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 <u>\$10,000,000</u> *	\$0	\$0
<u>Costs</u> - Local Election Authorities - cost of a special election if called for by the Governor	\$0 or (More than <u>\$10,000,000</u>)*	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

*SOS has updated the estimated cost of a statewide special election after examining actual reimbursement costs for the General Primary and General Election held during 2022.

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This joint resolution, if approved by the voters, creates the permanent Joint Committee on State Security. The purpose of the Committee is to determine which persons and entities shall be prohibited from acquiring title to real property in this state and also determining which social networking services shall be prohibited from being used on devices owned and operated by the State of Missouri. The Committee is authorized to issue orders with the force and effect of law stipulating which persons, entities, or social networking services are prohibited pursuant to this resolution. Until otherwise superseded by such an order, the following shall not purchase or otherwise acquire title to real property in this state:

- A governmental entity of the People's Republic of China, the Islamic Republic of Iran, the Democratic People's Republic of Korea, or the Russian Federation;
- A company or other legal entity that is 1) headquartered in; 2) directly or indirectly held or controlled by the government of; or 3) owned by or the majority of stock or other ownership interest of which is held or controlled by individuals who are citizens of the People's Republic of China, the Islamic Republic of Iran, the Democratic People's Republic of Korea, or the Russian Federation;
- A company or other entity that is owned by or the majority of stock or other ownership interest of which is held or controlled by a company or entity described above; or
- Any United States non-resident who is a citizen of the People's Republic of China, the Islamic Republic of Iran, the Democratic People's Republic of Korea, or the Russian Federation.

Additionally, until otherwise superseded by order of the Committee pursuant to this resolution, no person shall use any social networking service on a device owned or operated by the state of Missouri if the social networking service is developed or provided in whole or in part or owned in whole or in part by a person or public or private entity located in the People's Republic of China

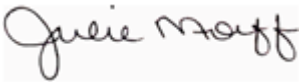
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

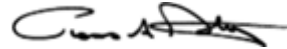
Office of the Secretary of State
Missouri House of Representatives
Missouri Senate
Department of Commerce and Insurance
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Health and Senior Services
Department of Mental Health
Department of Natural Resources

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Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety
Missouri Highway Patrol
Department of Social Services
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Department of Transportation
Office of Administration
Office of the State Public Defender
Office of the Governor
Office of the Lieutenant Governor
Office of the State Auditor



Julie Morff
Director
February 28, 2023



Ross Strobe
Assistant Director
February 28, 2023