

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3045S.01I
 Bill No.: SJR 73
 Subject: Constitutional Amendments; Initiative and Referendum Petitions
 Type: Original
 Date: January 26, 2024

Bill Summary: This proposal modifies procedures for ballot measures submitted to the voters.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|---|------------|------------|
| FUND AFFECTED | FY 2025 | FY 2026 | FY 2027 |
| General Revenue* | \$0 or (More than \$8,000,000) | \$0 | \$0 |
| Total Estimated Net Effect on General Revenue | \$0 or (More than \$8,000,000) | \$0 | \$0 |

*The potential fiscal impact of “(More than \$8,000,000)” 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 2025 | FY 2026 | FY 2027 |
| | | | |
| 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 2025 | FY 2026 | FY 2027 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2025 | FY 2026 | FY 2027 |
| | | | |
| | | | |
| 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 2025 | FY 2026 | FY 2027 |
| | | | |
| Local Government | \$0* | \$0 | \$0 |

*The potential fiscal impact to local election authorities (reimbursed by the state) would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri House of Representatives**, the **Missouri Senate**, the **Missouri Highway Patrol**, **Missouri Ethics Commission** and the **Office of the State Public Defender** each assume no fiscal impact from the joint resolution.

Officials from **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.

Officials from the **Attorney General's Office (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation.

Officials from the **Jackson County Election Board**, the **Platte County Board of Elections**, the **St. Louis City Board of Elections**, the **St. Louis County Board of Elections** and the **Greene County Clerk** each assume no fiscal impact from the joint resolution.

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 \$8 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 FY25 petitions cycle, the SOS estimates publication costs at \$60,000 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 2025. 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 general election is in November 2024 (FY 2025). It is assumed the subject within this proposal could be on this ballot; 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 2025.

| <u>FISCAL IMPACT – State Government</u> | FY 2025 (10 Mo.) | FY 2026 | FY 2027 |
|--|--|-------------------|-------------------|
| 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>\$8,000,000</u>) | <u>\$0</u> | <u>\$0</u> |
| ESTIMATED NET EFFECT ON GENERAL REVENUE* | \$0 or (More than <u>\$8,000,000</u>) | <u>\$0</u> | <u>\$0</u> |

*The potential fiscal impact of “(More than \$8,000,000)” would be realized only if a special election were called by the Governor to submit this joint resolution to voters.

| <u>FISCAL IMPACT – Local Government</u> | FY 2025 (10 Mo.) | FY 2026 | FY 2027 |
|---|--------------------------------|-------------------|-------------------|
| 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 \$8,000,000 | \$0 | \$0 |
| <u>Costs</u> - Local Election Authorities - cost of a special election if called for by the Governor | \$0 or (More than \$8,000,000) | \$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 approved by the voters, modifies various provisions relating to initiative petitions.

(SECTION 50.2)

The amendment requires the person or entity filing an initiative petition proposing a constitutional amendment to indicate on the sample sheet whether any specific campaign committee is responsible for the measure. Furthermore, any other campaign committee that supports the measure shall also notify the Secretary of State.

VOTER APPROVAL THRESHOLD

(SECTION 51.2)

The voter approval threshold is amended for initiative petitions proposing constitutional amendments based on the total percentage of campaign contributions received in support of the measure by sponsoring campaign committees and supporting campaign committees from in-state contributors and out-of-state contributors. As such, any initiative petition proposing a constitutional amendment shall only take effect as follows:

- If the sponsoring campaign committee or any supporting campaign committee accepts contributions during the election cycle from only in-state contributors, the measure shall take effect when approved by a majority of the votes cast thereon;
- If the sponsoring campaign committee or any supporting campaign committee accepts contributions during the election cycle from an out-of-state contributor, the measure shall take effect when approved by a majority plus an additional one percent for every whole increment of two percent of the total percentage of contributions that are received, in the aggregate, from an out-of-state contributor by the sponsoring campaign committee or any supporting campaign committee during the election cycle.

REPORTING REQUIREMENTS

(SECTION 51(A).1)

A sponsoring or supporting campaign committees shall make the following reports:

- Not later than the 8th day prior to the election at which the measure is to appear on the ballot for the period closing on the twelfth day before the election the committee shall report the total amount of all contributions received during the election cycle, identified by name and address of each contributor; and
- Not later than 72 hours prior to the election at which the measure is to appear on the ballot, the committee shall report the total percentage of contributions received from out-of-state contributors and in-state contributors, respectively.

CALCULATION OF VOTER APPROVAL THRESHOLD

(SECTION 51(A).2-3)

Not later than 24 hours before the election, the Secretary of State is required to calculate the voter approval threshold for each initiative petition proposing a constitutional amendment. For every whole increment of two percent of the total percentage of contributions that are received, in the aggregate, from an out-of-state contributor by the sponsoring campaign committee or any supporting campaign committee of an initiative petition proposing a constitutional amendment during the election cycle, the secretary of state shall add one percentage point to the simple majority threshold needed for approval.

COMPLAINT PROCESS

(SECTION 51(A).4)

Any natural person may file a complaint with the Missouri ethics commission as provided in this section within thirty days of the date of the election. Any such complaint shall be in writing, shall state all facts known by the complainant which have given rise to the complaint, and shall be sworn to, under penalty of perjury, by the complainant. Complaints are limited to challenging the accuracy of:

- Any campaign contribution disclosure report made pursuant this amendment; or
- The calculation of the voter approval threshold pursuant to this amendment.

All complaints shall be referred to the State Auditor who shall compile a report for referral to the Attorney General if evidence is discovered that either funds were misreported or the voter approval threshold was miscalculated. Upon receipt of such report, the Attorney General shall petition the Missouri Supreme Court for a hearing. Upon receipt of the petition, the Court shall either dismiss the petition or issue an order of relief, as described in the amendment.

UNLAWFUL ACTIONS

(SECTION 51(A).5-6)

No person shall transfer anything of value to any sponsoring or supporting committee with the intent to conceal, from the Missouri Ethics Commission or the Secretary of State, the identity of the actual source. Any violation of this provision is punishable as a class E felony for first offenses, with increased penalties for subsequent offenses.

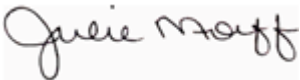
It shall be unlawful for:

- A government of a foreign country or a foreign political party to sponsor an initiative petition;
- A government of a foreign country or a foreign political party to directly or indirectly make:
 - a) A contribution or donation of money or other thing of value, or make an express or implied promise to make a contribution or donation, in connection with an initiative petition;
 - b) A contribution or donation to a political committee or a political party favoring or opposing an initiative petition; or
 - c) An expenditure, independent expenditure, or disbursement for an electioneering communication, whether print, broadcast, or digital media, or otherwise, related to an initiative petition; or
- A person to solicit, accept, or receive a contribution or donation from a government of a foreign country or a foreign political party, in connection with an initiative petition.

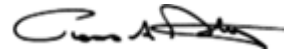
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Attorney General's Office
Missouri Highway Patrol
Office of the State Courts Administrator
Office of the State Public Defender
Missouri Ethics Commission
Jackson County Election Board
Platte County Board of Elections
St. Louis City Board of Elections
St. Louis County Board of Elections
Greene County Clerk



Julie Morff
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January 26, 2024



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