COMMITTEE ON LEGISLATIVE RESEARCH OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0952S.02I Bill No.: SJR 11

Subject: Constitutional Amendments; Initiative and Referendum Petitions

Type: Original

Date: March 2, 2025

Bill Summary: This proposal modifies the provisions relating to initiative petitions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2026	FY 2027	FY 2028	
Company 1 Dayromy 2*	\$0 or (More than			
General Revenue*	\$8,000,000)	\$0	\$0	
Total Estimated Net				
Effect on General	\$0 or (More than			
Revenue	\$8,000,000)	\$0	\$0	

^{*}The potential fiscal impact of "(More than \$8,000,000)" would be realized <u>only</u> 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 2026	FY 2027	FY 2028		
Total Estimated Net					
Effect on Other State					
Funds	\$0	\$0	\$0		

Numbers within parentheses: () indicate costs or losses.

L.R. No. 0952S.02I Bill No. SJR 11 Page **2** of **6** March 2, 2025

ESTIMATED NET EFFECT ON FEDERAL FUNDS					
FUND AFFECTED	FY 2026	FY 2027	FY 2028		
Total Estimated Net					
Effect on All Federal					
Funds	\$0	\$0	\$0		

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)					
FUND AFFECTED	FY 2026	FY 2027	FY 2028		
Total Estimated Net					
Effect on FTE	0	0	0		

\boxtimes	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 Effec	t (savings or increased re	evenues) expected to e	exceed \$250,000 in any of
the three fiscal years	after implementation of	the act or at full impl	lementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS					
FUND AFFECTED FY 2026 FY 2027 FY 20					
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.

L.R. No. 0952S.02I Bill No. SJR 11 Page **3** of **6** March 2, 2025

FISCAL ANALYSIS

ASSUMPTION

Officials from the Office of the Secretary of State (SOS) state this bill increases the number of required signatures for a successful initiative petition. The current requirement of 8% (constitutional) or 5% (statutory) of voters from the previous gubernatorial election in six out of eight congressional districts was about 171,000 or 107,000 signatures respectively for the 2024 petition cycle. While the new signature requirements for the 2026/2028 cycles have not yet been determined, using the previous numbers as a base, the proposed change to require 15% (constitutional) or 10% (statutory) in all districts would increase that minimum number to over 451,000 (constitutional) or 301,000 (statutory), an increase of approximately 160% for constitutional measures and 180% for statutory ones. This increase in signatures would lead to an increase in pages submitted per petition and therefore an increase in processing costs when signatures are submitted for verification. The referendum petition submitted in 2017 contained over 250,000 valid signatures and cost approximately \$32,000 in state resources to process for sufficiency, which SOS does with existing staff. Assuming that other petitions achieve a similar proportion of signatures above the minimum requirements, an increase of up to 180% in processing costs could reach or exceed \$57,600 per petition expended between FY 2028 and FY 2029, which the agency would absorb. Based on an average amount of four petitions submitted for verification per election cycle, this would result in total increased costs of up to \$230,400. This increase does not include resources expended by local election authorities, nor does it include any additional costs that the Secretary of State's Office could incur in order to continue to meet all statutory processing deadlines.

It should be noted that the statutory requirements regarding initiative petitions allow additional time only for the initial in-processing by the SOS, and this time is based on the number of petitions received, not the amount of signatures submitted (ranging from two to four weeks, with the maximum number reached when four or more petitions are submitted). Therefore, the SOS anticipates difficulty in competing the scanning and distribution process within the specified window if petitions suddenly double in size. Likewise, we anticipate that LEA staff will struggle to complete signature verification within the time specified (between the time they receive signature pages in May and the deadline on the last Tuesday in July), particularly since they will need to devote resources to conducting the primary election as absentee ballots will be cast during at least half of this timeframe. While temporary workers can be acquired at great cost and can somewhat alleviate that issue, the use of workers not accustomed to the rigorous nature of the elections process increases the potential for verification errors, which in turn strains the limited quality control resources available at the SOS. If any potential errors are not resolved to the satisfaction of all parties, the SOS could also anticipate increased cost of litigation due to signature count challenges from the petitioners and/or opponent groups.

L.R. No. 0952S.02I Bill No. SJR 11 Page **4** of **6** March 2, 2025

Additionally, 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 FY27 petitions cycle, the SOS estimates publication costs at \$50,000 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, we reserve the right to request funding to meet the cost of our publishing requirements if the Governor and the General Assembly again change the amount or continue not to designate it as an estimated appropriation.

Oversight notes that the above mentioned agency has stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Officials from the Jackson County Election Board, the Platte County Board of Elections, the St. Louis City Board of Elections and the St. Louis County Board of Elections state there is no fiscal impact for this joint resolution.

L.R. No. 0952S.02I Bill No. SJR 11 Page **5** of **6** March 2, 2025

ESTIMATED NET EFFECT ON GENERAL REVENUE*	\$0 or (More than <u>\$8,000,000)</u>	<u>\$0</u>	<u>\$0</u>
Transfer Out – SOS – reimbursement of local election authority election costs if a special election is called by the Governor	\$0 or (More than \$8,000,000)	<u>\$0</u>	<u>\$0</u>
FISCAL IMPACT – State Government GENERAL REVENUE	FY 2026 (10 Mo.)	FY 2027	FY 2028

^{*}The potential fiscal impact of "(More than \$8,000,000)" would be realized <u>only</u> if a special election were called by the Governor to submit tis joint resolution to voters.

FISCAL IMPACT – Local Government	FY 2026	FY 2027	FY 2028
	(10 Mo.)		
LOCAL POLITICAL			
SUBDIVISIONS			
<u>Transfer In</u> - Local Election	\$0 or More		
Authorities - reimbursement of election	than		
costs by the State for a special election	\$8,000,000	\$0	\$0
-			
Costs - Local Election Authorities - cost	\$0 or More		
of a special election if called for by the	than		
Governor	\$8,000,000	<u>\$0</u>	<u>\$0</u>
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.

L.R. No. 0952S.02I Bill No. SJR 11 Page **6** of **6** March 2, 2025

FISCAL DESCRIPTION

Currently, the Missouri Constitution requires:

- Initiative petitions seeking to amend the constitution to gather signatures equal to 8% of the legal voters in each of 2/3 of the Congressional districts; and
- Initiative petitions seeking to propose laws to gather signatures equal to 5% of the legal voters in 2/3 of the Congressional districts.

This constitutional amendment, if approved by the voters, requires:

- Initiative petitions proposing constitutional amendments to gather signatures equal to 15% of the legal voters in all of the Congressional districts; and
- Initiative petitions proposing laws to gather signatures equal to 10% of the legal voters in all of the Congressional districts.

Furthermore, the amendment also modifies the process for approving initiatives. Currently, any initiated measure, whether a law or a constitutional amendment, takes effect when approved by a majority of the votes cast. This amendment stipulates that an initiative still must receive a simple majority but additionally the total number of votes in support can not be less than 35% of the total number of ballots cast in the election.

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 Jackson County Election Board Platte County Board of Elections St. Louis City Board of Elections St. Louis County Board of Elections

Julie Morff Director

March 2, 2025

Jessica Harris Assistant Director March 2, 2025