

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5172-01
Bill No.: HB 1900
Subject: Ethics: Campaign Finance, Elections
Type: Original
Date: March 14, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Missouri Ethics Commission** assume no fiscal impact to the commission.

Officials of the **Office of the Secretary of State - Administrative Rules** stated that many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$1,500. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

ASSUMPTION (continued)

Officials of the **Office of State Court Administrator** assume no fiscal impact on the Courts.

Officials of the **Office of the State Treasurer** assume no fiscal impact.

Officials of the **Office of the State Auditor** assume no fiscal impact.

Officials of the **Office of Attorney General** assume any costs could be absorbed with existing resources.

Officials of the **Department of Corrections** assume no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<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.

DESCRIPTION

This bill changes the laws regarding campaign finance. In its main provisions, the bill:

- (1) Requires lobbyists to include expenditures for all members of either a majority or minority caucus in both houses of the General Assembly in their monthly reports to the Missouri Ethics Commission;
- (2) Requires the executive director of the commission to notify candidates and the treasurer of a campaign committee of the failure to file campaign disclosure reports and the fines that will be assessed. Notice may be provided by regular mail and will no longer be required for deputy treasurers;
- (3) Requires continuing committees that are not controlled or directed by a candidate to be

formed no later than 60 days prior to the election that the committee seeks to influence;

DESCRIPTION (continued)

- (4) Removes obsolete references to Section 130.051, RSMo;
- (5) Prohibits the formation of candidate committees for the offices of Speaker of the House of Representatives and President Pro Tem of the Senate;
- (6) Limits to \$2,000 the contributions for all elected offices including Governor, senator, representative, and elected judgeships;
- (7) Requires disclosure reports to be electronically filed with the commission which must establish rules for the filing using Microsoft products; and
- (8) Requires the commission to audit campaign disclosure reports and provide the results four times a year to the General Assembly. Monthly disclosure reports will be audited randomly with the results being presented annually to the General Assembly.

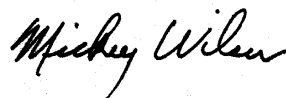
Errors in contribution and expenditure reports that are identified by the commission will be posted on the Internet as well as sent to the candidates and treasurers in the form of a notice in the regular mail.

If there is an error with a contribution that is not corrected within 30 days of the date of the notification letter, the contribution will go to the state. If there is an error with an expenditure that is not corrected within the 30-day period, the expenditure will be forwarded to the State Treasurer.

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 Attorney General
Office of the State Treasurer
Office of the State Auditor
Office of the Secretary of State - Rules
Missouri Ethics Commission
Office of the State Court Administrator
Department of Corrections



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March 14, 2006

RWB:LR:OD (12/02)