

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0328-01
Bill No.: HJR 6
Subject: General Assembly; Campaign Finance; Public Officers
Type: Original
Date: December 28, 2016

Bill Summary: This legislation proposes a constitutional amendment that prohibits candidates and officials from receiving campaign contributions when the General Assembly is in regular session.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	\$0 or (Greater than \$7,800,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	\$0 or (Greater than \$7,800,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

*Income and Expenses net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State** 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 \$7.8 million based on the cost of the 2016 Presidential Preference Primary. This figure was determined through analyzing and totaling expense reports from the 2016 Presidential Preference Primary received from local election authorities.

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. 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. Funding for this item is adjusted each year depending upon the election cycle with \$1.3 million historically appropriated in odd numbered fiscal years and \$100,000 appropriated in even numbered fiscal years to meet these requirements. The appropriation has historically been an estimated appropriation because the final cost is dependent upon the number of ballot measures approved by the General Assembly and the initiative petitions certified for the ballot. In FY15, the General Assembly changed the appropriation so that it was no longer an estimated appropriation and the SOS was appropriated \$1.19 million to publish the full text of the measures. Also in FY17, at the August and November elections, there were 9 statewide Constitutional Amendments or ballot propositions that cost \$2.4 million to publish (an average of \$400,000 per issue). The SOS assumes, for the purposes of this fiscal note, that it should have the full appropriation authority it needs to meet the publishing requirements. However, 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 change the amount or eliminate the estimated nature of our appropriation.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of advertising the statewide ballot measure related to this proposal within their current appropriation level. If multiple bills pass or if multiple ballot initiatives are validated which require similar advertising at substantial costs, the SOS could request funding through the appropriation process.

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 2018. 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 2018 and the next scheduled general election is in November 2018 (FY 2019). 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. Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2018.

Officials from the **Missouri Ethics Commission** assume the proposal will have no fiscal impact on their organization; however, should the number of violations during the process established in Section 105.955.14 (2),(3) RSMo or complaints received be greater than anticipated, the department would request additional appropriation and/or FTE through the budget process.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE			
<u>Expense</u> - reimbursement of local political subdivisions for special election costs if called for by the Governor	\$0 or (Greater than \$7,800,000)	\$0	\$0
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	\$0 or (Greater than \$7,800,000)	\$0	\$0

FISCAL IMPACT - Local Government

FY 2018
(10 Mo.)

FY 2019

FY 2020

LOCAL POLITICAL SUBDIVISIONS

Income - cost reimbursement from the
State for special election

\$0 or Greater
than \$7,800,000

\$0

\$0

Expense - cost for special election if
called for by the Governor

\$0 or (Greater
than
\$7,800,000)

\$0

\$0

**ESTIMATED NET EFFECT TO
LOCAL POLITICAL SUBDIVISIONS**

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

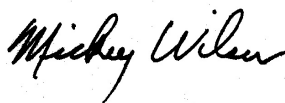
FISCAL DESCRIPTION

Upon voter approval, this proposed constitutional amendment bans campaign contributions to members of the General Assembly or those holding statewide office during the legislative session of the General Assembly. Candidates for special elections may receive contributions from the date of their nomination until 30 days after the election was held.

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 Ethics Commission



Mickey Wilson, CPA

Ross Strobe

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Director
December 27, 2016

Assistant Director
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