

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0911-02
Bill No.: HCS for HB 432
Subject: Elections
Type: Original
Date: March 14, 2017

Bill Summary: This proposal changes the law regarding election costs.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	\$0	(\$7,800,000 - \$11,700,000)	\$0
Total Estimated Net Effect on General Revenue	\$0	(\$7,800,000 - \$11,700,000)	\$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 5 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	\$7,800,000 - \$11,700,000	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the Secretary of State (SOS)** assume this proposal removes Section 115.063.3 from law, which states that "[t]he state shall not be liable for any costs of a general election or primary election held in even numbered years as designated in subsections 1 and 2 of section 115.121." The removal of this section could create the obligation for the state to pay its share of costs for the regularly-scheduled primary and general elections, as established in Section 115.077.

Since the state's liability to pay costs for primary and general elections was previously waived by Section 115.063.3, it will be difficult to determine the exact costs which will be incurred in paying for those two elections in each election cycle. For the 2016 Presidential Preference Primary election, the most recent statewide election for which costs were paid, the state expended funds in excess of \$7.8 million. While costs for the primary and general elections may either be greater (due to increased scope) or less (due to cost sharing by local political subdivisions) than this amount, we expect that the costs per election could be (and could exceed) 50% to 75% of the \$7.8 million.

Accounting for both the primary and general elections in each election cycle, the Elections Division anticipates costs of approximately \$7.8 million to \$11.7 million in each odd-numbered fiscal year beginning in FY 2019.

Officials at the **St. Louis County Board of Election Commission** assume this proposal will have a positive impact of approximately \$1,000,000 in even-year election cycles.

Officials at the **Platte County Board of Elections** assume this proposal will not have a direct fiscal impact; however, proportional cost sharing with the state could save up to \$45,000 per election.

Officials at the **Kansas City Election Board** assume it will cost the state approximately \$600,000 in election costs every even-numbered year.

Officials at **Buchanan County** assume this proposal will benefit their organization if the state helps to pay costs for holding primary and general elections.

Oversight assumes there will be a positive fiscal impact to local election authorities if election costs are paid by the state in even-numbered years; therefore, Oversight will reflect a savings to local election authorities equal to the potential costs estimated by SOS.

ASSUMPTION (continued)

Officials at the following boards of election commission: St. Louis City Board of Election Commission, Clay County Board of Election Commission, Jackson County Board of Election Commission and St. Louis County Board of Election Commission did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Atchison, Boone, Camden, Carroll, Christian, Clay, Cole, Cooper, Daviess, Franklin, Knox, Marion, Miller, Montgomery, New Madrid, Phelps, Platte, and Wayne did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE FUND			
<u>Cost</u> - SOS - election costs for primary and general elections	<u>\$0</u>	(\$7,800,000 - <u>\$11,700,000</u>)	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0</u>	(\$7,800,000 - <u>\$11,700,000</u>)	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
LOCAL ELECTION AUTHORITIES			
<u>Savings</u> - state paying for primary and general election costs	<u>\$0</u>	\$7,800,000 - <u>\$11,700,000</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL ELECTION AUTHORITIES	<u>\$0</u>	\$7,800,000 - <u>\$11,700,000</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

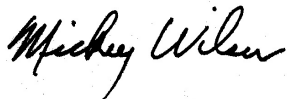
FISCAL DESCRIPTION

This bill requires the state and political subdivisions to share the costs of elections held among such entities in a proportional manner and applies in the case of general elections and primary elections.

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
Kansas City Election Board
Platte County Board of Elections
Buchanan County
St. Louis County Board of Election Commission



Mickey Wilson, CPA
Director
March 14, 2017

Ross Strobe
Assistant Director
March 14, 2017