

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2147-03
Bill No.: HCS for HB 1043
Subject: Elections
Type: Original
Date: April 11, 2017

Bill Summary: This proposal changes the law regarding initiative petitions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	\$0	Up to \$25,000	\$0
Total Estimated Net Effect on General Revenue	\$0	Up to \$25,000	\$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	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** assume this proposal adds a \$500 filing fee for each initiative petition sample that is filed with the Secretary of State's Office, which is to be placed in a trust fund. Any petitions which are certified as sufficient for the ballot will have this fee refunded, with any monies not returned devolving to the general revenue fund. This fee can be waived if the proponent of the petition certifies their inability to pay.

In the 2016 election cycle, 238 petition samples were filed with the Secretary of State's Office, with four being certified sufficient to the ballot. Based on those numbers, \$117,000 $((238 - 4) \times \$500)$ would have reverted into general revenue had the fee been in place for the 2016 election cycle. It is expected that the introduction of a filing fee may decrease the number of initiative petitions filed, and by extension reduce the amount reverting to general revenue. However, it is difficult to predict the extent of that decrease. For example, even a 50% decrease in filings combined with a doubling in the number of petitions receiving refunds would still have created over \$55,000 in revenue in the 2016 election cycle.

The Elections Division anticipates that this proposal will create new general revenue funds. The exact amount of funds created is difficult to predict, but the SOS estimates up to \$50,000 per election cycle, which covers 2 fiscal years. Since certification for initiative petitions occurs after July 1 in each election year, the funds would be credited to each odd-numbered fiscal year. However, due to the effective date of this bill falling over halfway through the submission window for the 2018 election cycle, the funds generated for FY 2019 will be decreased as a result, but could still reach \$25,000.

Officials from the **Office of the Attorney General (AGO)** did not respond to **Oversight's** request for fiscal impact for this proposal.

Oversight assumes the proposal requires both the Office of the Secretary of State and the Office of the Attorney General to review petitions as to state and federal constitutionality. Oversight assumes, based on the Office of the Secretary of State's response, these additional duties can be handled with existing resources.

Officials from the **Office of Prosecution Services, Department of Corrections, Office of the State Auditor** and **Office of the State Public Defender** each assume the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE FUND			
<u>Revenue</u> - SOS - retained filing fees for initiative petitions that are not certified sufficient to be on the ballot	<u>\$0</u>	<u>Up to \$25,000</u>	\$0
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>\$0</u>	<u>Up to \$25,000</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<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 proposal requires petition proponents to pay a \$500 fee for signature verification costs which is refundable if the petition qualifies for the ballot within two years of the preparation of a summary statement by the Office of the Secretary of State. The fee may also be waived if the petition proponent certifies that they are unable to pay. Petitions must be filed no earlier than January

31 of the year following a general election and no later than nine months prior to a general election.

Petition circulators shall identify by button whether or not they are compensated and they may not be compensated based upon the number of signatures collected.

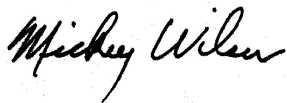
Under current law the Office of the Secretary of State and the Office of the Attorney General review petition sheets for sufficiency as to form. This proposal would require both to review petitions for compliance with the United States and Missouri Constitutions. The Office of the Secretary of State's final approval or rejection of a petition will be as to form and constitutionality.

FISCAL DESCRIPTION (continued)

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

Department of Corrections
Office of the Secretary of State
Office of Prosecution Services
Office of the State Public Defender
Office of the State Auditor



Mickey Wilson, CPA
Director
April 11, 2017

Ross Strobe
Assistant Director
April 11, 2017