

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1794-02
Bill No.: HCS for HJR 37
Subject: Counties; County Government; Saint Louis City; Saint Louis County
Type: Original
Date: April 12, 2019

Bill Summary: This proposal proposes a constitutional amendment limiting votes for county mergers to the counties affected by the merger.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	\$0 or (More than \$7,800,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	\$0 or (More than \$7,800,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
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 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
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 2020	FY 2021	FY 2022
Local Government*	\$0	\$0	\$0

*Increases (decreases) in distributions net to zero.

FISCAL ANALYSIS

ASSUMPTION

In response to a previous version, officials at the **Office of the State Courts Administrator** assumed the proposed legislation proposes a constitutional amendment to annex St. Louis City into St. Louis County.

While the proposal does not require conciliation, a resulting conciliation would have impacts as set forth below.

The combining of two circuit courts into one court has never been estimated since the creation of JIS (Justice Information System) and Show-Me Courts. There are many unknown and potential unforeseen circumstances. There are issues related to data conversion, system configuration, application limitations, application interfaces and procedure modification that would need to be considered. This will result in a cost range of at least a minimum of \$100,000 to unknown.

These costs will be incurred for the conversion of program based reporting, complete set up of the database, consolidation planning, analysis and combination of court forms, reconciliation of accounts, analysis of court specific developed interfaces, conversion of JIS (Justice Information System), Show-Me Courts and many other unforeseen items.

There will be other potential unknown costs however these will not be known until we begin the conversion process.

Oversight notes that should this proposal be enacted, Section 30 © of Article VI of the Constitution of Missouri would be in effect stating any change to the two territories or governments shall only occur as authorized thereof. Therefore, until the majority of voters of the City of St. Louis and St. Louis County approve the consolidation of these two governments, Oversight will reflect a \$0 fiscal impact for OSCA's part of the proposed legislation.

Officials at the **Office of the Secretary of State (SOS)** assume 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.

ASSUMPTION (continued)

The SOS 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.

In FY19, over \$5.8 million was spent to publish the full text of the measures for the August and November elections. The SOS estimates \$65,000 per page for the costs of publications based on the actual cost incurred for the one referendum that was on the August 2018 ballot.

The SOS 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 to not designate it as an estimated appropriation.

Oversight notes that should this joint resolution be enacted, this legislation would no longer allow a statewide election to consolidate St. Louis City into St. Louis County. The legislation would require the voters in St. Louis County and St. Louis City to vote on the issue if the two governments should be consolidated.

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 2020. 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 2020 and the next scheduled general election is in November 2020 (both in FY 2021). 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 2020.

Officials at the **Office of Administration's Division of Budget and Planning (B&P)** responded as follows:

This proposal:

- has no direct impact on B&P;
- has no direct impact on general and total state revenues; and
- will not impact the calculation pursuant to Art. X, Sec. 18(e).

ASSUMPTION (continued)

Officials at the **Office of the Attorney General** assume no fiscal impact from this proposal.

Officials at the **City of Kansas City**, the **Platte County Board of Election Commission** and the **Kansas City Election Board** each assume no fiscal impact to their respective entities from this proposal.

In response to a previous version, officials at **St. Louis County** and the **Monroe County Assessor's Office** each assumed no fiscal impact to their respective entities from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE			
<u>Transfer Out</u> - SOS - reimbursement of local election authority election costs if a special election is called by the Governor	\$0 or (More than <u>\$7,800,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	\$0 or (More than <u>\$7,800,000</u>)	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
LOCAL POLITICAL SUBDIVISIONS			
<u>Transfer In</u> - Local Election Authorities - reimbursement of election costs by the State if a special election is called	\$0 or More than \$7,800,000	\$0	\$0
<u>Costs</u> - Local Election Authorities - cost of a special election	\$0 or (More than <u>\$7,800,000</u>)	<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

There could be a direct fiscal impact to small businesses in the City of St. Louis as a result of this proposal.

FISCAL DESCRIPTION

This proposal proposes a constitutional amendment limiting all votes for county mergers to the counties affected by the proposed merger.

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 State Courts Administrator
Office of the Secretary of State
Office of Administration
 Division of Budget and Planning
Office of the Attorney General
City of Kansas City
Platte County Board of Election Commission
Kansas City Election Board
St. Louis County
Monroe County Assessor's Office



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April 12, 2019

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