

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2206-01  
Bill No.: HB 1055  
Subject: Constitutional Amendments  
Type: Original  
Date: March 25, 2019

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

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General R	\$14,350 or (\$25,537)	\$12,950 or (\$23,283)	\$18,200 or (\$18,204)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$14,350 or (\$25,537)</b>	<b>\$12,950 or (\$23,283)</b>	<b>\$18,200 or (\$18,204)</b>

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

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	0 or .5 FTE	0 or .5 FTE	0 or .5 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0 or .5 FTE</b>	<b>0 or .5 FTE</b>	<b>0 or .5 FTE</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Office of the Secretary of State (SOS)** assume the proposal adds a filing fee for initiative petitions. Each petition filed with the SOS for preliminary approval to circulate would need to be accompanied by a \$350 filing fee, refundable for petitions which qualify to appear on the ballot.

With regard to the filing fee (116.050), 371 initiative petition samples were submitted for approval in the 2018 election cycle. At \$350 each, this would equate to at least \$129,850 in fees (plus some additional money for those petitions exceeding 10 pages). It is expected that adding a filing fee will result in a reduction in the number of filed petitions. We assume a 75% reduction in filings, resulting in 93 filings per 18-month cycle with a revenue total of \$32,550. This money would default to general revenue in the case of any petitions which do not qualify for the ballot. While this revenue would accrue in the fund during FY 2020, we would not be able to determine which fees would be refunded and which would devolve to the state until FY 2021. Four petitions during the 2014-16 cycle and five petitions during the 2016-18 cycle qualified to appear on the ballot; the SOS assumes 4 successful petition submissions per petitions cycle, for a refund total of \$1,400 in FY21. The remaining funds would default to general revenue during FY21 as well, after which filing fees for the 2022 petition cycle would begin accruing.

FY 2020 Revenue (2020 Petition Cycle): \$14,350 ( $93 \times 8/18 \times \$350$ ) - 8/18 because petitions can be filed from the late August 2019 effective date through the early May 2020 submission deadline.

FY 2021 Expenditures (Refunds for 2020 Petition Cycle): Fund 0101, Code 780, \$1,400 (\$12,950 will default to GR from 2020 petition cycle)

FY 2021 Revenue (2022 Petition Cycle): \$14,350 ( $93 \times 8/18 \times \$350$ ) - 8/18 because petitions can be filed from November 2020 through June 2021.

FY 2021 Net Impact: \$12,950

FY 2022 Revenue (2022 Petition Cycle): \$18,200 ( $93 \times 10/18 \times \$350$ ) - 10/18 because petitions can be filed from July 2021 through the early May 2022 submission deadline.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the estimates (FY 2020-\$14,350, FY 2021-\$12,950, and FY 2022-\$18,200) provided by SOS on the fiscal note.

ASSUMPTION (continued)

Officials from the **Office of the State Treasurer (STO)** assume Section 116.050 states that the state treasurer will establish a trust fund and refund the group filing an initiative petition if the petition qualifies for the ballot within two years after a summary statement has been prepared by the Secretary of State. The STO is requesting ½ FTE (\$24,744 per year for clerk) since we do not issue refunds and would need to modify our systems so that we can issue checks ourselves, since currently we're taking lists generated from other departments to produce checks.

In summary the STO assumes cost of \$39,887 in FY 2020, \$36,233 in FY 2021, and \$36,404 in FY 2022.

**Oversight** notes that the legislation is not clear as to what office will be responsible for refunding the filing fees for initiative petitions that qualify to be on ballot. Also, Oversight is not sure if sufficient extra duties would exist for the STO to warrant an additional ½ FTE. Therefore, Oversight will reflect \$0 or costs provided by STO to the fiscal note.

Officials from the **Missouri Senate** and **Missouri House of Representatives** both assume the proposal will have no fiscal impact on their organization.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>GENERAL REVENUE FUND</b>			
<u>Revenue</u> - SOS - retained filing fees for initiative petitions that are not certified sufficient to be on the ballot	\$14,350	\$14,350	\$18,200
<u>Cost</u> - SOS - filing fees refunded for initiative petitions that qualify to be on ballot		(\$1,400)	
<u>Cost</u> - STO			
Salaries	\$0 or (\$10,310)	\$0 or (\$12,496)	\$0 or (\$12,621)
Fringe Benefits	\$0 or (\$15,327)	\$0 or (\$18,437)	\$0 or (\$18,483)
Equipment and Expense	<u>\$0 or (\$14,250)</u>	<u>\$0 or (\$5,300)</u>	<u>\$0 or (\$5,300)</u>
<u>Total Cost</u> - STO	<u>\$0 or (\$39,887)</u>	<u>\$0 or (\$36,233)</u>	<u>\$0 or (\$36,404)</u>
FTE Change - STO	.5 FTE	.5 FTE	.5 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$14,350 or (\$25,537)</u></b>	<b><u>\$12,950 or (\$23,283)</u></b>	<b><u>\$18,200 or (\$18,204)</u></b>
Estimated Net FTE Change on the General Revenue Fund	0 or .5 FTE	0 or .5 FTE	0 or .5 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<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 bill authorizes the Missouri Secretary of State to collect a \$350 filing fee for initiative petitions which will be refunded if the petition qualifies for the ballot within two years after a summary statement is prepared. Any fees that are not refunded shall revert to the General Revenue fund.

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  
Office of the State Treasurer  
Missouri Senate  
Missouri House of Representatives



Kyle Rieman  
Director  
March 25, 2019

Ross Strobe  
Assistant Director  
March 25, 2019