

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2498-02
Bill No.: HCB 10
Subject: Elections
Type: Original
Date: April 5, 2019

Bill Summary: This proposal modifies provisions relating to elections

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	\$0	\$27,534 to \$85,088	\$0
Total Estimated Net Effect on General Revenue	\$0	\$27,534 to \$85,088	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Petition Trust Fund	\$14,467 to \$43,244	(\$14,467) to (\$43,244)	\$18,084 to \$54,506
Total Estimated Net Effect on <u>Other</u> State Funds	\$14,467 to \$43,244	(\$14,467) to (\$43,244)	\$18,084 to \$54,506

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

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 Secretary of State's Office 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 there will be a reduction in filings, for this purposes of this fiscal note we believe the SOS will receive 50-93 filings per 18-month cycle (\$17,500 - \$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): \$7,700 - \$14,350 (50-93 x 8/18 x \$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 (\$6,300 - \$12,950 will default to GR from 2020 petition cycle)

FY 2021 Revenue (2022 Petition Cycle): \$7,700 - \$14,350 (50-93 x 8/18 x \$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): \$9,800 - \$18,200 (50-93 x 10/18 x \$350) - 10/18 because petitions can be filed from July 2021 through the early May 2022 submission deadline.

ASSUMPTION (continued)

Oversight notes that it is difficult to determine what percentage of reduction in filing initiative petitions may occur as a result of this proposal. Therefore, Oversight will reflect the potential reduction as a range from 25% - 75%, resulting in 93-278 filings per 18-month cycle (\$32,550 - \$97,300).

FY 2020 would result in Revenue of \$14,467 to \$43,244 (93 to 278 x 8/18 x \$350)

FY 2021 would have net impact of \$13,067 to \$41,844 (93 to 278 x 8/18 x \$350) - \$1,400

FY 2022 would result in Revenue of \$18,084 to \$54,056 (93 to 278 x 10/18 x \$350)

Reduction Percentage	Reduction Number of Filings	Total Number of Filings per 18 Month Cycle
25%	93	278
50%	186	185
75%	278	93

Officials from the **Office of the State Treasurer** assume the proposal will have no fiscal impact on their organization.

In response to similar legislation HB 1055 from 2019, officials from the **Missouri Senate** and **Missouri House of Representatives** both assume the proposal will have no fiscal impact on their organization.

Officials from the **Platte County Board of Elections** assume the proposal will have no fiscal impact on their organization.

In response to a previous version, officials from the **Kansas City Election Board**, **Jackson County Election Board**, and **St. Louis County Board of Elections** each assumed 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.

Oversight assumes that the majority of the monies will be transferred from the trust fund to General Revenue after the general elections (in FY 2021 and biennially thereafter).

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE FUND			
<u>Transfer In</u> - SOS - retained filing fees for initiative petitions that are not certified sufficient to be on the ballot	<u>\$0</u>	\$27,534 to <u>\$85,088</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	\$27,534 to <u>\$85,088</u>	<u>\$0</u>
PETITION TRUST FUND			
<u>Revenue</u> - SOS - retained filing fees for initiative petitions that are not certified sufficient to be on the ballot	\$14,467 to \$43,244	\$14,467 to \$43,244	\$18,084 to \$54,056
<u>Cost</u> - SOS - filing fees refunded for initiative petitions that qualify to be on ballot	\$0	(\$1,400)	\$0
<u>Transfer Out</u> to GR - initiative petition fees that have not been refunded.	<u>\$0</u>	(\$27,534) to <u>(\$85,088)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON PETITION TRUST FUND	\$14,467 to <u>\$43,244</u>	(\$14,467) to <u>(\$43,244)</u>	<u>\$18,084 to \$54,056</u>
<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

The bill requires the use of a uniform standard for initiative and referendum petition signature pages. These pages must conform to the requirements of Sections 116.030 and 116.040, RSMo, and will be made available for printing and downloading in an electronic format that is created by the Secretary of State.

It also requires a \$350 refundable fee for filing an initiative petition with the office of the Missouri Secretary of State under Section 116.050. The fee is refunded if the petition is authorized to appear on the ballot within the two year period after a summary statement is prepared for the petition under Section 116.334. There is an additional \$25 per page filing fee for initiative petitions that are in excess of 10 pages long. Fees that are not refunded revert to General Revenue.

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 House of Representatives
Missouri Senate
Kansas City Election Board
Platte County Board of Elections
Jackson County Board of Elections
St. Louis County Board of Elections



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