

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1722H.03I
 Bill No.: HJR 43
 Subject: Constitutional Amendments; Elections
 Type: Original
 Date: January 22, 2023

Bill Summary: This joint resolution modifies provisions for initiative petitions and referendums.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
General Revenue*	\$0 or (More than \$10,000,000)**	\$0	\$0
Total Estimated Net Effect on General Revenue	\$0 or (More than \$10,000,000)**	\$0	\$0

*The potential fiscal impact of “(More than \$10,000,000)” would be realized **only** if a special election were called by the Governor to submit this joint resolution to voters.

**SOS has updated the estimated cost of a statewide special election after examining actual reimbursement costs for the General Primary and General Election during 2022.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Total Estimated Net Effect on FTE	0	0	0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2024	FY 2025	FY 2026
Local Government	\$0*	\$0	\$0

*Transfer out and transfer in net to zero **if** the Governor calls a special election.

FISCAL ANALYSIS

ASSUMPTION

Officials from **Office of the Secretary of State (SOS)** assume this bill increases the number of required signatures for a successful initiative petition. The current requirement of 8% (constitutional) or 5% (statutory) of voters from the previous gubernatorial election in six out of eight congressional districts will be about 171,000 or 107,000 signatures respectively for the 2024 petition cycle. The proposed change to require 10% (constitutional) or 5% (statutory) in all districts would increase that minimum number to over 300,000 (constitutional) or 150,000 (statutory), an approximately 75% increase for constitutional amendments and 40% for statutory measures. This increase in signatures would lead to an increase in pages submitted per petition and therefore an increase in processing costs when signatures are submitted for verification. The referendum petition submitted in 2017 contained over 250,000 valid signatures and cost approximately \$32,000 in state resources to process for sufficiency, which SOS does with existing staff. Assuming that other petitions achieve a similar proportion of signatures above the minimum requirements, an increase of up to 75% in processing costs could reach or exceed \$24,000 per petition expended between FY 2026 and FY 2027, which the agency would absorb. Based on an average amount of four petitions submitted for verification per election cycle, this would result in total increased costs of up to \$96,000. This increase does not include resources expended by local election authorities, nor does it include any additional costs that the Secretary of State's Office could incur in order to continue to meet all statutory processing deadlines.

Additionally, each year, 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 \$10 million based on the cost of the 2022 primary and general election reimbursements.

The Secretary of State's office 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.

For the FY24 petitions cycle, the SOS estimates publication costs at \$70,000 per page. This amount is subject to change based on number of petitions received, length of those petitions and rates charged by newspaper publishers.

The Secretary of State's office 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, the SOS reserves the right to request funding to meet the cost of the publishing requirements if the Governor and the General Assembly again change the amount or continue to not designate it as an estimated appropriation.

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 2024. 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 2024 and the next scheduled general election is in November 2024 (both in FY 2025). 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 (a different date). Therefore, Oversight will reflect a potential election cost reimbursement to local political subdivisions in FY 2024. Oversight notes SOS' \$10 million estimate was increased from \$7 million in January 2023.

In response to similar legislation, HJR 79 from 2022, officials from the **Missouri Senate** assumed the proposal will have no fiscal impact on their organization.

Officials from the **Missouri House of Representatives, Jackson County Board of Elections, Platte County Board of Elections, Greene County Clerk's Office, and St. Louis County Board of Elections** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other local election authorities and county clerks were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
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>\$10,000,000</u>)*	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (More than <u>\$10,000,000</u>)*	<u>\$0</u>	<u>\$0</u>

*SOS has updated the estimated cost of a statewide special election after examining actual reimbursement costs for the General Primary and General Election during 2022.

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026
LOCAL POLITICAL SUBDIVISIONS			
<u>Transfer In</u> - Local Election Authorities - reimbursement of election costs by the State for a special election	\$0 or More than <u>\$10,000,000</u> *	\$0	\$0
<u>Costs</u> - Local Election Authorities - cost of a special election if called for by the Governor	\$0 or (More than <u>\$10,000,000</u>)*	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

*SOS has updated the estimated cost of a statewide special election after examining actual reimbursement costs for the General Primary and General Election during 2022.

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Currently, initiative petitions must receive signatures from 8% of voters in two-thirds of the state's Congressional districts in order to place an amendment to the Constitution on the ballot, and signatures from 5% of voters in two-thirds of the state's Congressional districts in order to place a statutory change on the ballot. Upon voter approval, this resolution would require

initiative petitions to receive signatures from 10% of voters in each Congressional district in order to place an amendment to the Constitution on the ballot, and signatures from 5% of voters in each Congressional district in order to place a statutory change on the ballot.

The Secretary of State shall provide voters in each Congressional district with a period in which to review and comment upon all initiative petitions proposing amendments to the Constitution.

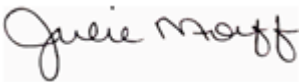
Currently, any measure referred to the people, by initiative petition or by the General Assembly, must receive approval from a simple majority of the votes cast thereon in order to pass. Upon voter approval, this resolution would require any such measure to receive approval from two-thirds of the votes cast thereon in order to pass.

Only citizens of the United States who are properly registered to vote in the state of Missouri shall be considered legal voters for these purposes.

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
Missouri House of Representatives
Missouri Senate
Jackson County Board of Elections
Platte County Board of Elections
Greene County Clerk's Office
St. Louis County Board of Elections



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