

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3288H.06P
 Bill No.: Perfected HCS for HJRs 86, 72 & 119
 Subject: Constitutional Amendments; Elections
 Type: Original
 Date: March 26, 2024

Bill Summary: This proposal modifies requirements for votes required to pass constitutional amendments.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue*	\$0 or (More than \$8,000,000)*	\$0	\$0
Total Estimated Net Effect on General Revenue	\$0 or (More than \$8,000,000)*	\$0	\$0

*The potential fiscal impact of “(More than \$8,000,000)” would be realized **only** if a special election were called by the Governor to submit this joint resolution to voters.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other State Funds</u>	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
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 2025	FY 2026	FY 2027
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, 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.

This bill increases the number of required signatures for a successful constitutional initiative petition. The current requirement of 8% of voters from the previous gubernatorial election in six out of eight congressional districts will be about 171,000 signatures for the 2024 petition cycle. The proposed change to require 8% in all districts would increase that minimum number to over 240,000 signatures, an approximately 40% increase. 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 40% in processing costs could reach or exceed \$12,800 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 \$51,200. 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.

Oversight notes there is no way to determine if increased voter approval thresholds would result in fewer petitions. Oversight assumes this proposal will have an insignificant fiscal impact to local election authorities from the offsetting increase in ballot signatures required and the potentially reduction in petitions that require verification; therefore, Oversight will not reflect an impact on the fiscal note.

The **Office of the Secretary of State** notes 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 \$8 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 FY25 petitions cycle, the SOS estimates publication costs at \$60,000 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, 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 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 2025. 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 general election is in November 2024 (FY 2025). It is assumed the subject within this proposal could be on this ballot; 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 2025.

Officials from the **Missouri Senate**, the **Missouri House of Representatives**, the **St. Louis City Board of Elections**, and the **St. Louis County Board of Elections** each assumed 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 2025 (10 Mo.)	FY 2026	FY 2027
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>\$8,000,000</u>)*	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (More than <u>\$8,000,000</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 held during 2022.

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
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>\$8,000,000</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>\$8,000,000</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 held during 2022.

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Upon voter approval, this Constitutional amendment makes numerous changes to the initiative petition process and to the process of approving Constitutional amendments.

Currently, initiative petitions proposing amendments to the Constitution require signatures from 8% of the legal voters in 2/3 of the state's congressional districts in order to be placed on the ballot. This resolution would require signatures from 8% of the legal voters in all of the state's congressional districts in order to place a Constitutional amendment proposed by initiative petition on the ballot.

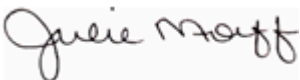
This resolution provides that voters in each Congressional district shall have the opportunity to review and comment on initiative petitions proposing amendments to the Constitution in a public forum administered by the Secretary of State.

This resolution prohibits foreign governments and political parties from sponsoring initiative petitions and from engaging in electoral activity in support of or opposition to an initiative petition. The resolution requires any amendment to the Constitution to receive a majority of the votes cast both statewide and also in a majority of the state's congressional districts for approval. This resolution grants the General Assembly exclusive authority to enact laws enforcing provisions of the Missouri Constitution relating to initiative petitions. The resolution prohibits the General Assembly from modifying any statutory measure submitted by initiative petition and approved by voters for two years after the effective date of the change. This shall not apply if a court of competent jurisdiction issues a final judgment that declares the measure unconstitutional or otherwise invalid.

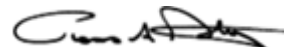
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Missouri Senate
Missouri House of Representatives
St. Louis City Board of Elections
St. Louis County Board of Elections



Julie Morff
Director
March 26, 2024



Ross Strobe
Assistant Director
March 26, 2024