

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3357H.01I  
 Bill No.: HJR 70  
 Subject: Constitutional Amendments; Judges  
 Type: Original  
 Date: December 19, 2023

Bill Summary: This legislation proposes a constitutional amendment changing the retirement age of judges.

**FISCAL SUMMARY**

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

\*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.

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2025    | FY 2026    | FY 2027    |
|   |            |            |            |
| <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.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2025    | FY 2026    | FY 2027    |
|   |            |            |            |
| <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 2025  | FY 2026  | FY 2027  |
|   |          |          |          |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b> | <b>0</b> | <b>0</b> |

- 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.

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |             |            |            |
|--|-------------|------------|------------|
| FUND AFFECTED                              | FY 2025     | FY 2026    | FY 2027    |
|  |             |            |            |
| <b>Local Government</b>                    | <b>\$0*</b> | <b>\$0</b> | <b>\$0</b> |

\*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.

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, 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 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 **Joint Committee on Public Employee Retirement (JCPER)** state this proposal has no direct fiscal impact to the JCPER.

The JCPER’s review of this proposal indicates that its provisions may constitute a “substantial proposed change” in future plan benefits as defined in section 105.660(10). It is impossible to accurately determine the fiscal impact of this legislation without an actuarial cost statement prepared in accordance with section 105.665. Pursuant to section 105.670, an actuarial cost statement must be filed with the Chief Clerk of the House of Representatives, the Secretary of the Senate, and the Joint Committee on Public Employee Retirement as public information for at least five legislative days prior to final passage.

Officials from **Missouri State Employee's Retirement System (MOSERS)** state this proposal, if enacted, would increase the mandatory retirement age for judges from age 70 to age 75. The Judicial Retirement Plan, administered by the MOSERS Board of Trustees, contains normal retirement eligibility criteria and is shown below:

| <b>Normal Retirement Eligibility</b>  |  |
|---|--|
| <b>Judicial Plan</b><br><i>Serving prior to 01/01/11</i>  | <b>Judicial Plan 2011</b><br><i>First Serving on or after 01/01/11</i> |
| Age 55 with 20 years of service, or<br>Age 60 with 15 years of service, or<br>Age 62 with 12 years of service | Age 62 with 20 years of service, or<br>Age 67 with 12 years of service |

Should the proposed change result in some judges working longer, MOSERS expects there would be some minimal cost savings to the retirement plan. It is unknown how the proposed change, if enacted, would impact member behavior. Therefore, it is very difficult to quantify the cost savings at this point in time.

In response to a similar proposal, HJR 1 (2023), officials from **Office of the State Courts Administrator** stated there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

**Oversight** notes this proposal raises the mandatory retirement age of judges from seventy to seventy-five years of age. Oversight assumes the impact to the Judicial Retirement Plan would require further enabling language. Therefore, Oversight will show only the potential special election cost in FY 2025 and assume any potential fiscal impact would be included in the fiscal note for ‘general laws’ enacting the changes such as HB 1422 (2024).

| <u>FISCAL IMPACT – State Government</u>   | FY 2025<br>(10 Mo.)                          | FY 2026           | FY 2027           |
|---|--|-------------------|-------------------|
| <b>GENERAL REVENUE</b>  |  |                   |                   |
| <u>Transfer Out - SOS - reimbursement of local election authority election costs if a special election is called by the Governor*</u> | \$0 or (More than <u>\$8,000,000</u> )       | <u>\$0</u>        | <u>\$0</u>        |
| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>  | <b>\$0 or (More than <u>\$8,000,000</u>)</b> | <b><u>\$0</u></b> | <b><u>\$0</u></b> |

\*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.

| <u>FISCAL IMPACT – Local Government</u>   | FY 2025<br>(10 Mo.)                    | FY 2026           | FY 2027           |
|---|--|-------------------|-------------------|
| <b>LOCAL POLITICAL SUBDIVISIONS</b>   |  |                   |                   |
| <u>Transfer In - Local Election Authorities - reimbursement of election costs by the State for a special election</u> | \$0 or More than <u>\$8,000,000</u>    | <u>\$0</u>        | <u>\$0</u>        |
| <u>Costs - Local Election Authorities - cost of a special election if called for by the Governor*</u>                 | \$0 or (More than <u>\$8,000,000</u> ) | <u>\$0</u>        | <u>\$0</u>        |
| <b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>   | <b><u>\$0</u></b>                      | <b><u>\$0</u></b> | <b><u>\$0</u></b> |

\*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.

FISCAL IMPACT – Small Business

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

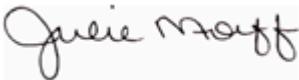
FISCAL DESCRIPTION

This resolution proposes a Constitutional amendment to, upon voter approval, increase judges' retirement age from 70 to 75.

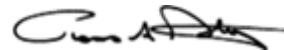
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State  
Joint Committee on Public Employee Retirement  
Missouri State Employee's Retirement System  
Office of the State Courts Administrator



Julie Morff  
Director  
December 19, 2023



Ross Strobe  
Assistant Director  
December 19, 2023