

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3850H.011  
 Bill No.: HJR 97  
 Subject: Constitutional Amendments; State Departments; Counties; Department of Natural Resources  
 Type: Original  
 Date: April 5, 2024

Bill Summary: This joint resolution proposes a constitutional amendment to change the distribution of certain revenues received from the management of state natural resources.

**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 \$8,000,000)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (More than \$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
Various State Funds*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

\*Oversight assumes amounts directed from the state departments to the counties (if any) could reach the \$250,000 threshold. The potential fiscal impact would only be realized if approved by voters.

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Local Government*</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

\* Possible costs and state reimbursements in FY 2025 net to zero if the issue is put before the voters at a special election.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Department of Conservation (MDC)** assume an unknown fiscal impact. The Conservation Sales Tax funds are derived from one-eighth of one percent sales and use tax pursuant to Article IV Section 43 (a) of the Missouri Constitution. The Department defers to the Department of Revenue as it is responsible for tax collection and would be better able to estimate the anticipated fiscal impact that would result from this proposal.

Officials from the **Department of Labor and Industrial Relations** assume this proposal may or may not require the Division of Labor Standards to remit fees paid by mining entities for safety inspections. The Division does not manage minerals mined, nor does it profit from the fees remitted. The fees assist in funding, but do not wholly cover, the costs incurred by performing safety inspections of commercial mining operations. If the General Assembly enacts further legislation which stipulates the Division must pay all, or a portion, of safety inspection fees to counties, this will seriously impact the function of the Mine and Cave Safety program.

Officials from the **Department of Natural Resources, Office of Administration - Administrative Hearing Commission, Office of Administration - Budget and Planning, Department of Commerce and Insurance, Department of Economic Development, Department of Elementary and Secondary Education, Department of Higher Education and Workforce Development, Department of Health and Senior Services, Department of Mental Health, Department of Corrections, Department of Labor and Industrial Relations, Division of Alcohol and Tobacco Control, Capitol Police, Division of Fire Safety, Department of Public Safety – Director’s Office, Missouri Gaming Commission, Missouri Highway Patrol, Missouri Veterans Commission, State Emergency Management Agency, Department of Social Services, Missouri Department of Agriculture, Missouri Ethics Commission, Missouri Department of Transportation, Missouri National Guard, Office of Administration, Office of the State Public Defender, MoDOT & Patrol Employees’ Retirement System, Missouri Consolidated Health Care Plan, Missouri State Employee's Retirement System, Missouri Lottery Commission, Missouri Higher Education Loan Authority, Petroleum Storage Tank Insurance Fund, Office of the State Treasurer, Office of the Governor, University of Missouri, Joint Committee on Administrative Rules, Missouri House of Representatives, Missouri Senate, Office of the State Courts Administrator and State Tax Commission** 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** will reflect the fiscal impact as \$0 (voters do not approve the constitutional amendment) to an “Unknown” amount of revenue distributed to counties.

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.

<u>FISCAL IMPACT – State Government</u>	FY 2025	FY 2026 (6 Mos.)	FY 2027
<b>GENERAL REVENUE FUND</b>			
<u>Transfer Out</u> - SOS - reimbursement of local election authority election costs <b>if</b> a special election is called by the Governor	\$0 or (More than <u>\$8,000,000</u> )	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b>\$0 or (More than <u>\$8,000,000</u>)</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>VARIOUS STATE FUNDS</b>			
<u>Loss</u> – profits received by state departments from their management of the natural resources of the state to be remitted to counties	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
<b>ESTIMATED NET EFFECT ON VARIOUS STATE FUNDS</b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>

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

FISCAL IMPACT – Small Business

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

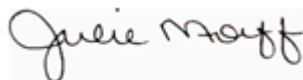
FISCAL DESCRIPTION

Upon voter approval, this resolution would require any state department that receives a profit from its management of the state's natural resources to remit a portion of the profit to the county in which the resources are located. The General Assembly may enact laws to provide for a method and proportion of any money provided to the county.

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

Department of Revenue  
Missouri Department of Conservation  
Department of Natural Resources  
Office of Administration - Administrative Hearing Commission  
Office of Administration - Budget and Planning  
Department of Commerce and Insurance  
Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Higher Education and Workforce Development  
Department of Health and Senior Services  
Department of Mental Health  
Department of Corrections  
Department of Labor and Industrial Relations  
Department of Public Safety  
Department of Social Services  
Missouri Department of Agriculture  
Missouri Ethics Commission  
Missouri Department of Transportation  
Missouri National Guard  
Office of Administration  
Office of the State Public Defender  
Attorney General's Office  
MoDOT & Patrol Employees' Retirement System  
Missouri Office of Prosecution Services  
Missouri Consolidated Health Care Plan  
State Tax Commission  
Missouri State Employee's Retirement System  
Missouri Lottery Commission  
Office of the State Treasurer  
Office of the Governor  
Missouri Higher Education Loan Authority  
University of Missouri  
Petroleum Storage Tank Insurance Fund



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