

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5450H.01I
Bill No.: HB 2648
Subject: Libraries and Archives; Appropriations; Children and Minors
Type: Original
Date: March 12, 2024

Bill Summary: This proposal establishes requirements for library boards to be elected.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

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 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§143.183 – Revenues used for Maintenance & Repair of Libraries

Oversight assumes no fiscal impact from this section of the proposal.

§181.060 – State aid to Public Libraries

Oversight assumes this section adds language allowing grants to be used on the costs of maintenance and repair of library facilities and will have no direct fiscal impact.

§§182.050, 182.170, 182.291, 182.640, 182.707 & 182.820 – Election of Library Board of Trustees to Various Library Districts

Officials from **Greene County** assume this proposal will require the County to hold an election each April for the library trustees. This bill will increase costs for the County annually from \$0 to a range of approximately \$124,600 to \$399,825.28, depending on how many political subdivisions call for an election on the same date in Greene County.

Officials from the **Daniel Boone Regional Library** assume election costs are expected to be \$175,000 for each election in Boone County and around \$25,300 for elections in Callaway County. Our regional library budget would thus be required to pay around \$200,000 every year an election take place. This would require cuts to our materials budget and a significant reduction of our program budget.

Officials from the **Mid-Continent Public Library District** assume a negative fiscal impact. The district estimates that a municipal election could cost the district \$500,000 to \$700,000 yearly, depending on what other ballot measures will share in those expenses.

Officials from the **Missouri River Regional Library** assume the proposal would place a tremendous financial burden on the library system. The Cole County Clerk's office indicates that the election cost for the library would be approximately \$34,000. The Osage County Clerk estimates the election cost would be between \$15,000-\$20,000.

Officials from the **Rolling Hills Consolidated Library** state the district serves two counties in northwest Missouri. Currently the eight-member Board of Trustees is appointed by elected County Commissioners in two counties (four from each county) at no cost to the library. Should this bill go into effect, the library would be required to pay for its share of each scheduled election. After a review of previous election costs with the two County Clerks, the estimated direct cost to the library would be anywhere from \$30,000 to \$50,000 per election. There is no way to determine what exact costs would be because costs are shared among all entities with issues on the ballot. It is unclear whether the total number of board members would change with

this bill, as it is not listed in the section about consolidated libraries as it is in other library types. There is no state reimbursement to libraries for ballot issues and this is already taken into account when county clerks calculate the split of election costs. Indirect costs include staff time orienting new board members, additional contact with county clerk offices, possible legal counsel, and any other required paperwork, estimated at \$500 per election.

Total estimated direct and indirect costs related to this bill would be \$40,500 annually for this library district.

Oversight notes the above sections of the proposal establish provisions specifically applicable to various library districts that have a certain assessed valuation to have an option to establish a board election process for their district. If the governing body orders an ordinance or receives a petition of the voters within the area to establish an elected board of trustees to govern the library district, then the governing body would notify the local election authority to submit the question to the voters. There are potential election costs to the library districts should the question go on the ballot as early as April 2025. Therefore, Oversight will reflect a \$0 (no ballot language) or unknown cost as a fiscal impact to the local library districts for this proposal.

Responses regarding the proposed legislation as a whole

Officials from the **Joint Committee on Administrative Rules, Kansas City, the City of O’Fallon, the Platte County Board of Elections, the St. Louis City Board of Elections and the 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.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year’s legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
LIBRARY DISTRICTS			
<u>Cost</u> – potential election costs if library districts should have elected boards §§182.050, 182.170, 182.291, 182.640, 182.707 & 182.820	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON LIBRARY DISTRICTS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

FISCAL IMPACT – Small Business

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

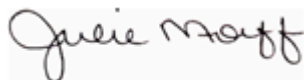
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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

Greene County
 Daniel Boone Regional Library
 Mid-Continent Public Library
 Missouri River Regional Library
 Rolling Hills Consolidated Library
 Office of the Secretary of State
 Joint Committee on Administrative Rules
 Kansas City
 City of O’Fallon
 Platte County Board of Elections
 St. Louis City Board of Elections
 St. Louis County Board of Elections



Julie Morff
 Director
 March 12, 2024



Ross Strobe
 Assistant Director
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