COMMITTEE ON LEGISLATIVE RESEARCH OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0996S.06C

Bill No.: SCS for HCS for HB 507

Subject: County Officials; Elections; Political Subdivisions; Saint Louis City; Secretary of

State

Type: Original Date: May 5, 2025

Bill Summary: This proposal modifies provisions relating to elections.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND					
FUND AFFECTED	FY 2026	FY 2027	FY 2028		
			\$0 or More than		
General Revenue*	\$0	\$0	(\$8,000,000)		
Total Estimated Net					
Effect on General			\$0 or More than		
Revenue	\$0	\$0	(\$8,000,000)		

^{*}Cost of approximately \$8 million in March 2028 (FY 2028) for holding a Presidential Preference Primary Election.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS					
FUND AFFECTED	FY 2026	FY 2027	FY 2028		
Total Estimated Net					
Effect on Other State					
Funds	\$0	\$0	\$0		

Numbers within parentheses: () indicate costs or losses.

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ESTIMATED NET EFFECT ON FEDERAL FUNDS					
FUND AFFECTED	FY 2026	FY 2027	FY 2028		
Total Estimated Net					
Effect on All Federal					
Funds	\$0	\$0	\$0		

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)					
FUND AFFECTED	FY 2026	FY 2027	FY 2028		
Total Estimated Net					
Effect on FTE	0	0	0		

	ect (expenditures or	reduced revenues)	expected to	o exceed \$250,000) in any
of the three fiscal	years after impleme	ntation of the act o	or at full imp	olementation of the	e 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 2026 FY 2027 FY 202						
Local Government (Unknown) (Unknown) (Unknown)						

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FISCAL ANALYSIS

ASSUMPTION

§§115.105 & 115.107, 115.123, 115.125, 115.127, 115.277, 115.284, 115.295, 115.300, 115.351, 115.430, 115.453, 115.637, 115.755, 115.758, 115.761, 115.765, 115.767, 115.770, 115.773, 115.776, 115.785 and 115.904 – Elections

Officials from the **Office of the Secretary of State (SOS)** state this bill would reinstate the presidential preference primary election which was previously held in March of any presidential election year. The projected impact is estimated at up to \$8 million based on the cost of the 2022 primary and general election reimbursements, to be first incurred in FY 2028. As this election is scheduled for the first Tuesday in March, it may coincide with the municipal primary elections held by charter counties (scheduled for the Tuesday following the first Monday of March); in this case, proportional cost sharing may reduce the state's obligations for this election.

Oversight notes section 115.785 states all costs of a presidential preference primary shall be paid by the state and for any county with more than five hundred polling places, the state shall assist in assuring adequate poll workers and equipment. The payment of election costs is subject to appropriation by the General Assembly. However, if they assume that the presidential preference primary were to be fully appropriated as it has been in years past, SOS anticipates a cost of \$8 million. Oversight has reflected, in this fiscal note, an \$8 million cost due to reinstating the requirement to hold a PPP. The next scheduled Presidential Preference Primary election would be in March 2028 (FY28). As this election is scheduled for the first Tuesday in March, it may coincide with the municipal primary elections held by charter counties (scheduled for the Tuesday following the first Monday of March); in this case, proportional cost sharing may reduce the state's obligations for this election. Therefore, Oversight will reflect a potential election cost for reimbursement to local political subdivisions in FY 2028.

In addition, **SOS** states this bill would require to assist in assuring adequate poll workers and equipment for counties containing more than 500 polling places. For the most recent general election held in November 2024, no county claimed to operate more than 500 polling places. However, at least two counties did claim more than 500 precincts at that election, so there may be a potential cost if these counties were forced to open additional polling places. The scope of such potential cost is unknown.

Oversight cannot determine if particular counties will be operating more than 500 polling places in FY 2028. Therefore, Oversight will also reflect a \$0 to unknown cost to the state for the potential cost of poll workers and equipment for counties containing more than 500 polling places.

SOS noes this bill would also require each local election authority to notify absentee voters whenever there is a deficiency in the absentee affidavit on their ballot envelope due to incomplete information or a lack of notarization where one is required. Such notice may be made

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by any or all viable means of communication, including physical mail, email, and telephone calls.

This is a new mandate which may need to be funded by the state under Article X, Section 21 of the Missouri Constitution. In most cases, emails or phone calls should not lead to a fiscal impact, however, any documents which are mailed physically would incur costs for printing and postage. This would lead to increased proportional election costs during state elections, as well as the state potentially being required to cover these costs during non-state elections such as the general municipal election day (April election) each year. The scope of such costs is unknown and will vary based on the number of mailings and the cost of each document mailed.

Oversight requested from the SOS the number of absentee ballots that were rejected in the most current elections. SOS provided that they receive their absentee statistics from post-election surveys. They only do these for state-level elections so cannot provide a number for municipal elections. The reporting for the primary is currently incomplete as it had to be delayed due to other more urgent projects. However, for the general election their surveying was complete and there were 3,055 ballots rejected (including military/overseas).

Oversight notes that according to the SOS the below is the total for returned ballot postage that the State of Missouri has reimbursed to the local election authorities in the past five years.

2018 \$ 50,000 2019 \$ 100,484 2020 \$ 58,709 2021 \$ 477,017 2022 \$ 43,052

In response to similar legislation, SB 149 from 2023, officials from the **Kansas City Election Board** assumed it would cost \$10,000 per election in staff time, temporary expense, postage and supplies to contact these voters to cure ballots.

Oversight notes that the Kansas City Election Board attempted to contact each person who submitted an improperly filled out absentee ballot in November. They tried to contact 980 absentee voters by phone or letter. They rectified 575, leaving 405 rejected. The Kansas City Election Board had 2 employees working on this project for the majority of the 6 week absentee period. Therefore, the calculation above was based on 2 bipartisan employees @ \$20.00 per hour (including employers' FICA) for 40 hours weeks times 6 weeks or \$9,600, plus estimating postage, printing, legal expense and staff overtime.

In response to similar legislation, SB 606 (2025), officials from the **Jackson County Board of Elections** provided each absentee voter with detailed instructions that accompanies the voter's ballot they receive via mail. Instructions include how to properly vote the ballot and instructions for properly filling out and signing the envelope. Additionally, the Board instructs the voter on

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the absentee envelope if there is no need for notarization otherwise the instructions are clear notarization is needed.

Election authorities are understaffed especially during large elections and are occupied fulfilling the absentee requests that come in daily. Election authorities would require additional full-time staff if a law such as SB 606 passed.

Two Fulltime Staff Members -

\$84,711.00

In most cases election authorities do not have access to a voter's email address or phone number. Election authorities would have no other option but to mail a notice via 1st class mail to the voter which generally takes 7 working days. Voters submitting their ballots less than two weeks before the election would not have the benefit of getting the rejection notice in a timely manner to cure their ballot and some might receive the notice after the date for submission of corrections.

Additional Postage for Notices

\$ 3,117.00

TOTAL

\$87,828.00

In response to similar legislation, SB 606 (2025), officials from the **St. Louis City Board of Elections** stated for the 2025 General Election approximately 200 absentee ballots were rejected as a result of errors on the ballot envelope. Estimating it would take 15 minutes to contact each voter, this would be 50 hours. If an Election Board employee being paid \$15/hour was paid to do this work, the estimated fiscal impact would be \$750.

Oversight will reflect the transfer out of General Revenue per Article X, Section 21 of the Missouri Constitution to reimburse the local election authorities.

In response to similar legislation, HCS for HB Nos. 126 & 367 (2025), officials from the **Platte County Board of Elections** stated adding the Presidential Primary in March would cost about \$100,000.

In response to similar legislation, HCS for HB Nos. 126 & 367 (2025), officials from the **Kansas City Election Board** assumed the cost of a citywide election is roughly \$800,000.

In response to a similar proposal, HB 367 (2025), officials from the **St. Louis City Board of Elections** stated the cost of a city-wide election which this legislation would require would cost \$500,000. It is unclear what the cost of conducting no-excuse absentee voting would be beginning 6 weeks out from a scheduled election in comparison to the 2 week period available now. While initially there could be, depending on how voting was conducted, a negative impact, 6 weeks of new excuse voting, because it extends the in person absentee period, could result in a cost savings as fewer polling places would result ultimately in a cost savings.

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In response to similar legislation, HCS for HB Nos. 126 & 367 (2025), officials from the **Jackson County Election Board** assumed the proposal will have no fiscal impact on their organization.

In response to similar legislation, SB 606 (2025), officials from the **St. Louis County Board of Elections** stated depending on voter turnout, they see anywhere from roughly 200 to well over 1,000 absentee ballots might be rejected for lack of signature or lack of notarization per election. This legislation requires them to mail a notice to these voters. They estimate the total cost per letter, when factoring in postage, printing, and labor, to be \$1.66 per letter. For the April 2024 election, they would have spent \$280.54 on these letters. For November 2024, they would have spent \$2,177.92.

In response to similar legislation, SB 606 (2025), officials from the **Johnson County Clerk** stated there would likely be minimal impact (less than \$150 per election) to Johnson County in the way of additional postage cost to notify voters of missing information on their absentee ballot envelope.

In response to similar legislation, SB 606 (2025), officials from the **Platte County Board of Elections** assumed the proposal will have no fiscal impact on their respective organization.

Oversight notes there is a potential increase in cost to local election authorities for postage, printing and staff time to rectify absentee ballot rejections in sections 115.295 & 115.300. Oversight is unable to determine how many individuals will cast an absentee ballot or how many absentee ballots will be rejected; therefore, Oversight will reflect a potential unknown cost to local election authorities.

Oversight notes section 115.785 states all costs of a presidential preference primary shall be paid by the state and for any county with more than five hundred polling places, the state shall assist in assuring adequate poll workers and equipment. Therefore, the fiscal note will reflect the cost and reimbursement to local election authorities netting to zero.

Subsection 115.123.2 states the presidential primary will be held on the second Tuesday after the first Monday in March, which has already occurred in 2024. Oversight will assume the primary will next occur in 2028.

§115.306 – Candidate No-Tax-Due Statements

In response to a similar proposal, HB 1005 (2025), officials from the **Department of Revenue** and the **Missouri Ethics Commission** both assumed the proposal would have no fiscal impact on their respective organizations.

In response to a similar proposal, HB 1005 (2025), officials from the **Jackson County Election Board** and the **Kansas City Election Board** each assumed the proposal would have no fiscal impact on their respective organizations.

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In response to a similar proposal, HB 1005 (2025), officials from the **St. Louis City Board of Elections** stated this legislation requires the election authority to make a determination that a candidate is not delinquent in any tax. Election authorities serve a clerical function (Vowell v Kander) and thus aren't configured to be arbiters of the merits of a candidate's qualifications. It is unclear what negative impact this legislation could have on their organization or whether they could legally comply with its demands.

Oversight assumes, currently candidates for public office are required to attest on their declaration of candidacy form, filed with their local election authority, a statement saying they are not delinquent in the payment of any state income taxes, personal property taxes, municipal taxes, and real property taxes on their place of residence. This proposal appears to require that candidates for public office in the City of St. Louis must provide proof of the taxes paid or notax-due statements for each tax listed in addition to the attestation on the declaration of candidacy form.

Oversight notes that Section 115.306.2 (4) states that this subdivision shall only apply to a city not within a county's offices that perform county functions (City of St. Louis). Oversight assumes that any costs arising as a result of this proposal can be absorbed by City of St. Louis with current resources; therefore, Oversight will reflect a zero impact on the fiscal note.

Responses regarding the proposed legislation as a whole

Officials from the **Office of State Courts Administrator (OSCA)** state 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 does not anticipate a significant impact to the Office of the State Courts Administrator.

Officials from the **Department of Corrections**, **St. Charles County Election Authority**, and the **St. Louis County Board of Elections** each assume the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Rule Promulgation

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

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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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other 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 reques

	<u>\$0</u>	<u>\$0</u>	(\$8,000,000)
GENERAL REVENUE			than
ESTIMATED NET EFFECT ON			\$0 or more
authority election costs for PPP	\$0	\$0	(\$8,000,000)
Reimbursement of local election			\$0 or more than
<u>Cost</u> - SOS §115.785			
GENERAL REVENUE			
	(10 Mo.)		
FISCAL IMPACT – State Government	FY 2026	FY 2027	FY 2028

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FISCAL IMPACT – Local Government	FY 2026	FY 2027	FY 2028
	(10 Mo.)		
LOCAL ELECTION AUTHORITES			
Reimbursement - Local Election			\$0 or More
Authorities - §115.785 reimbursement			than
of election costs	\$0	\$0	\$8,000,000
of election costs	Φ 0	30	\$6,000,000
			Φ0 () (
			\$0 or (More
			than
Costs- §115.785 - holding PPP election	\$0	\$0	\$8,000,000)
Costs - §115.785 - Election expenses			
not covered by State	\$0	\$0	(Unknown)
not covered by State	<u>\$0</u>	<u>\$0</u>	(Clikilowii)
C + 6117.207			
Costs – §115.295 - postage, printing,			
and processing absentee ballots			
rejections	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON			
LOCAL ELECTION			
AUTHORITIES	(Unknown)	(Unknown)	(Unknown)
NOTHOMITES	<u>[UIIKIIUWII]</u>	<u>tonknownj</u>	<u>(UIKIIUWII)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal modifies provisions relating to elections.

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

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SOURCES OF INFORMATION

Office of the Secretary of State St. Charles County Election Authority St. Louis County Board of Elections St. Louis City Board of Elections Jackson County Board of Elections Kansas City Election Board Department of Corrections

Julie Morff Director May 5, 2025

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Jessica Harris Assistant Director May 5, 2025