

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3400-02
Bill No.: HB 1337
Subject: Campaigns
Type: Original
Date: January 25, 2010

Bill Summary: Establishes campaign finance limits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(\$15,120)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(\$15,120)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Missouri Ethics Commission** assume the proposed legislation would implement campaign finance limits. The implementation of the above responsibilities would require the following additional resources:

\$15,120 in expense and equipment to acquire contract services that would develop the MEC internal search capabilities for oversight of the campaign finance committees' adherence to the specific contribution limits, as established in 105.955.14, RSMo.. Current campaign finance data collection would allow the MEC to use search capabilities, providing for a manual review by MEC staff of adherence to the established limits.

Two Investigators to accommodate anticipated increase in enforcement duties, as established in current state statute, related to the new provisions.

One Business Analyst to conduct the routine work necessary in reviewing and providing oversight for the proposed legislation. The Business analyst would review committee reports for compliance, prepare necessary notices, track the receipt of payment, and coordinate the necessary collection efforts. Currently two Business Analysts assist 2,800 committees in filing campaign finance reports, prepare and disseminate 15,000 notices, and review 11,000 campaign finance reports.

Increases in investigations and oversight, beyond the Commission's current duties, would require the addition of 1 Investigator Supervisor and 1 Staff Attorney. Currently 1 supervisory staff oversees all investigations, filing of 11,000 campaign finance reports, 15,852 monthly lobbyist reports, 4,291 personal financial disclosure reports, registering 1,000 lobbyists, education and outreach.

The Commission would anticipate that changes or additions to the proposed language set forth in this bill may require additional associated costs for FTE, equipment, and expenses.

In 2008, Senate Bill 1038 repealed campaign finance contribution limits in Missouri. At that time, the Missouri Ethics Commission did not reduce its number of FTE due to the cutback in the number of complaints and investigations caused by the campaign limits being repealed. Additionally, the Missouri Ethics Commission did not reduce its number of FTE because they were no longer required to monitor the amount of contributions received by a committee. Therefore, **Oversight** assumes the current FTE should be able to handle the increased number of complaints and investigations and the review of the campaign finance reports due to the limits

ASSUMPTION (continued)

being reimposed. **Oversight** assumes this proposal has no fiscal impact on the Missouri Ethics Commission.

Oversight assumes the contribution limits go into effect on January 1, 2011.

Officials from the **Department of Corrections (DOC)** stated that they could not predict the number of new commitments which could result from the creation of the offense(s) outlined in the proposal. An increase in commitments would depend on the utilization of prosecutors and the actual sentences imposed by the courts. If additional persons were sentenced to the custody of the DOC due to the provisions of this legislation, the DOC would incur a corresponding increase in operational costs either through incarceration (FY 2009 average \$16.04 per inmate, per day or an annual cost of \$5,855) or through supervision provided by the Board of Probation and Parole (FY 2009 average \$3.71 per offender, per day or an annual cost of \$1,354).

The following factors contribute to DOC's minimal assumption:

- DOC assumes the narrow scope of the crime will not encompass a large number of offenders.
- The low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence.
- The probability exists that offenders would be charged with a similar but more serious offense or that sentences may run concurrent to one another.

In summary, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Officials at the **Office of Prosecution Services, Office of the State Courts Administrator, Missouri State University, St. Louis County, City of Kansas City, Truman State University, Lincoln University, Metropolitan Community College, City of Centralia, Cass County, Linn State Technical College, University of Central Missouri, Missouri Western State University** and the **Northwest Missouri State University** assume that there is no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE			
<u>Cost - Missouri Ethics Commission</u>			
One-time computer upgrades	<u>(\$15,120)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$15,120)</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Beginning January 1, 2011, this bill changes the laws regarding campaign contributions to both candidates and committees. In its main provisions, the bill:

- (1) Limits campaign contributions from any person other than the candidate in any one election to candidates for statewide office at \$3,000; for state senator, \$1,500; and for state representative, \$750. Contributions for local candidates including judicial office are based on population and specified in the bill. Certain candidate committees are exempt from these limitations;
- (2) Limits donations made by political party committees to \$10,000 for a statewide candidate; \$5,000 for a state senator candidate; \$2,500 for a state representative candidate; and 10 times the allowable individual contribution for candidates for other local offices. Political party committees may also expend up to 50% of these limits on a candidate who is unopposed in a primary election;
- (3) Requires contributions from children younger than 14 years of age to be counted equally toward their parents' contribution limits or, in the case of a single parent, counted fully against that parent's contribution;

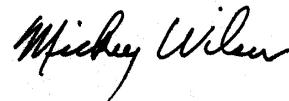
FISCAL DESCRIPTION (continued)

- (4) Establishes a surcharge penalty payable to the Missouri Ethics Commission of \$1,000 plus the full amount of a nonallowable contribution for a violation of the campaign contribution limits by any committee and requires a candidate to return any nonallowable contribution to the contributor within 10 business days;
- (5) Requires a separate accounting procedure for funds used prior to January 1, 2011, and allows the use of those funds based upon current law;
- (6) Limits contributions to a political party or continuing committee from any one person or entity to \$1,500 for a particular election and allows political party committees to make unlimited in-kind contributions or expenditures on behalf of a candidate if the contributions or expenditures are not coordinated with the candidate;
- (7) Prohibits all contributions between continuing committees;
- (8) Prohibits fundraising events or solicitation of contributions or expenditures on state-owned property including the property of political subdivisions;
- (9) Prohibits fundraising events within 100 miles of the State Capitol Building when the legislature is in regular session;
- (10) Requires contributions for leadership positions in the General Assembly to be disclosed to the Missouri Ethics Commission and made available to the public in the same manner as required in Section 130.057, RSMo; and
- (11) Increases the penalty for a purposeful violation of Chapter 130 from a class A misdemeanor to a class D felony.

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 Prosecution Services
Missouri State University
St. Louis County
Lincoln University
Truman State University
Metropolitan Community College
City of Centralia
City of Kansas City
Cass County
University of Central Missouri
Northwest Missouri State University
Linn State Technical College
Office of the State Courts Administrator
Missouri Western State University



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January 25, 2010